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SIR ALEXANDER GRANTHAM AND THE PROSPERITY OF HONGKONG

The ancient Roman salute comes aptly to the mind as one contemplates the imminent departure of the most successful of all Hongkong's brilliant line of Governors. A world awakening first to the unique problems, and then to the accomplishments of Hongkong, also suddenly became conscious of another singular phenomenon. In a period which refuses to hear a good word for Colonialism, reports have been bruited abroad about a popular petition, signed in behalf of practically the entire adult population of Hongkong, for a further extension to the three already granted of the term of office of a Colonial Governor. Hints had also leaked out of a mass demonstration in the largest Stadium in this part of the world, in which all strata of the population, young and old, rich and poor, were to participate as a farewell gesture of affection and gratitude.

This almost unheard of drive against the political current of our time is beyond all doubt a genuine expression of the popular will—the will of what is almost wholly a Chinese community, and one of the most capable, progressive and industrious to be found anywhere in the world. Colonialism is more sinned against than sinning, but seldom has there been, even in its heyday, so striking an affirmation of its virtues as exemplified in the person and the performance of H.E. Sir Alexander Grantham and his able colleagues.

Person and performance are separate yet complementary. All can see what has been done in these ten years. Indeed it sometimes seems as if the whole place were being made over anew, not

only in the erection of great new banking and business premises, new Government offices, etc., but in a vast extension of educational, health and other facilities, as well as the creation of an industry which has made its mark everywhere. But almost as important is the way it has been done. The Administration has invariably been ahead and seldom lagged behind demand. The only popular clamour in the way of criticism readily recalled related to the cost of administration a few years ago. It was undoubtedly provoked by the forecast of the then Financial Secretary, in presenting the 1947-48 Estimates, that the cost of staff would be reduced from the figure of \$22m. it had then totalled. Next year the Budget called for \$74m.

Perhaps the F.S. of those days had not reckoned with the drive and intensive activity which Sir Alexander Grantham infused into the Administration. Certain it is that one of the strongest points of his rule has been the anticipation rather than the patient awaiting of public need. If in 1949 Unofficial Members were complaining of the increasing cost of Government, Sir Alexander himself had taken time by the forelock to make the high cost of living generally the theme of his very first speech in the Legislative Council. The one important exception was the appalling question of clearance of squatters and adequate housing, and in this case—though other good and solid reasons have been advanced—one suspects that there was a natural lack of that brutal ruthlessness the wholesale clearance of squatters' sites demanded, and which everybody would

have been pained to see applied. And when the water position really became acute the Colony was well on the way to the carrying out of the big Tai Lam Chung scheme. There is as much cause to wonder at the skilful fulfilment of the intensely difficult task of establishing priorities when so much simply had to be done and with so little time in which to do it all. The other day the President of the HK Engineering Society set out a list of constructive enterprises in which Hongkong engineers had played a large part. It was a stunning list even to those who have been daily spectators of the changes in our landscape. And there were other things, too, outside the purview of the engineers.

From the very first day His Excellency made himself the real leader of the Colony. "Let us go forward to make a shining example of Hongkong by showing what work and co-operation can achieve" was the keynote of his response to the Address of Welcome presented by the Hon. A (Now Sir) Morse in July, 1947. Of course Sir Alexander with all his prescience could hardly have realised then the great additional influx that was so soon to follow, to multiply the problems of housing, health, education and communications and other matters embraced in the task of rehabilitation. "We must concentrate on our problems and must help ourselves, and in helping ourselves we should work in the friendliest and closest co-operation with our mighty friend and neighbour, China." As soon as he had got a grip on the affairs of the Colony which he and Lady Grantham had come to regard even then as their second home, they took pains to visit Canton and the major mainland centres in duty, rather than in nostalgia for loved and familiar places in Peking, to see no doubt just what kind of China it was that might evolve from the changes to come.

It was fortunate indeed that the Colony did give its greatest attention to its own affairs, and refused to permit itself to be deterred from the great and growing problems that were to confront almost every phase of endeavour here. Many things had to be tightened up, such as security, immigration controls and the like. But while revolution raged along its mighty and sometimes terrifying course, His Excellency and the Colony as a whole minded its own business to great purpose. Year after year trade increased. Year after year constructive activity ranged its restless and unappeaseable appetite throughout this small region, until per capita and per square mile Hongkong must have beaten any five-year-plan devised anywhere. Hongkong's "shining example" for which Sir Alexander called was coming through with flying colours.

The Korean boom came—and went. But still the work went on, and, as the Governor put it in his address to the Legislature in March, 1952, "the measure of how the Government regarded Hongkong's future was shown by the fact that the P.W.D. had the largest programme on its hands ever undertaken. Being wise at this juncture is to be bold, but not reckless," he said. "If peace is assured, the

upsurge in business, increased revenue, and greater prosperity may be expected." And that was during a fall in the almost uninterrupted climb upward of trade and prosperity.

Another point by no means overlooked by both the older and the rising generations of local Chinese residents was His Excellency's encouragement of local recruitment for the Cadet branch as well as other parts of the Civil Service. "We now have more than 200 posts occupied by local appointees that were formerly held by expatriates, but I am disappointed that we have only one member of the cadet service who is locally born," he remarked in a speech in which he referred to the record trade of 1948; and added that he was "proud of being Governor of a Colony of shopkeepers." And while the one slightly discordant note of criticism amid the chorus of gratitude related to the vexed issue of elected members of the Legislative Council, most people regard the immense development and expansion of the Kaifongs as a contribution to the welfare of the Colony and its people far greater than the encouragement of party politics, whose efflorescence in Singapore has been such a shock. The Kaifongs have come to stay and are now the most thoroughly representative body of the general public anywhere east of Suez. They form one of the great—and permanent—pillars of accomplishment. They are pretty well occupied in the hundred and one down-to-earth affairs of daily living in their own neighbourhoods and are continually enlarging their spheres of interest and useful activity. When they are ready, and truly desire, to have their voice heard in the higher direction of the administration they will have won a title to be heard.

Meanwhile it is not the forms but the reality of democracy with which most people are concerned in Hongkong just now. As His Excellency said, one of the characteristics of the people is their realism. Democracy is often used as a catchword and regarded as an end in itself, whereas it is only one of the means to an end—the end of individual freedom and liberty. And Hongkong, as he truly said, is one of the most "live-and-let-live" places in the world, where liberty and freedom are actualities.

The decade of Sir Alexander's Governorship has been one of harmony and progress, and, as the spokesman for Unofficial Members put it, in his eloquent farewell tribute, "You leave us, Sir, in a sound financial position; with a stable economy and with a tranquillity exceptional in this part of the world; with a changed appearance; with a different mode of earning our living and, for most people, with a better standard of living." All this, he said, Hongkong owed to his administration; "You leave behind a community that is grateful and a name that will be honoured and revered in our hearts and minds for so long as memory shall endure."

The Governor himself spoke not only of the accomplishments of the past ten years but of the limitless tasks ahead: the formidable refugee

FUTURE OF COLOMBO PLAN COUNTRIES

Six years of the Colombo Plan have now elapsed: years in which member countries have been engaged in an intensive effort to accelerate economic development. It would be surprising if in this period some unforeseen problems, as well as unforeseen achievements, had not emerged. The maintenance of satisfactory future progress will in no small measure depend on readiness to face these problems, to recognise their causes and take them fully into account in reaching new decisions.

The present Annual Report records the experience of another year. It provides an opportunity to assess, in the light of the continuously accumulating experience which it summarizes, the most significant trends, and to derive therefrom useful guidance for the future. The experience of the past year also serves to emphasize the lessons drawn out in previous Annual Reports.

In 1956, the Report stressed the desirability of flexibility in implementing development programmes. It also mentioned the problem of employing growing populations and increasing opportunities for co-operation between the countries of South and South-East Asia. It referred to the allocation of resources between consumption and investment; to the need to mobilize the energy of private enterprise as well as that of Governments; and the importance of attracting external private investments.

All these considerations remain highly relevant to other problems of the area, and time is tending to confirm their importance.

The amount and utilization of capital available in the year 1956-57 provide very satisfactory evidence of the increasing tempo of economic development in South and South-East Asia.

In previous years one of the difficulties has been to use capital in development up to the full amounts potentially available. Shortages of some goods and facilities, of managerial skills, of technicians and of administrative personnel, combined with shortcomings in planning, have in many cases been the main limiting factors in development, with the result that projected developments have sometimes not been fully realized. This is still true of most countries. But the enormous amount of development activity currently in progress in some countries is an indication of the vitality of their economies in both the public and the private sectors.

Development and Resources

The experience of the past year has, however, underlined the risk that the pace of development may outrun the avail-

problem, the new satellite towns to be built, and the new schools, hospitals and other needs to be met—"planning will have to go on and on and on." But the vast amount that had been done he attributed to the people of Hongkong, to whose industry, intelligence, ingenuity, and sense of realism he paid a genuine and heartfelt tribute. Lady Grantham has been an indefatigable and most efficient partner in all the many responsibilities of Government House. It would be hard indeed to part with them if it were not for the good fortune the Colony has in their successors, Sir Robert and Lady Black, who will worthily continue the magnificent work they have done in ten portentous years.

ability of resources, and the consequent need for the implementation of development plans to be flexible so that they can be rephased as necessary to match the resources available. Plans or policies serve the purpose of settling priorities and securing balanced development.

At this meeting member countries re-emphasized the need for a realistic approach to planning. They acknowledged that the implementation of formal plans may have led to rising confidence and increased demands in various parts of a country's economy, which raised consequential problems for all Governments.

The great economic growth now in progress in wide areas of the world, accelerated by the recent tremendous technological advances, is resulting in unprecedented demand for capital development. To this is added the demand arising from existing inflationary pressures. Nearly everywhere costs and prices are tending to rise, causing the demand for capital to press heavily on the supply of savings.

The widespread and augmented demand for capital underlines the desirability for the countries of South and South-East Asia to pursue policies which serve to attract available capital, domestic and external, into developmental efforts, and to assure the effective utilization of such capital.

In such efforts to obtain needed capital, the potential contributions of external privately-owned capital require careful assessment.

Such capital traditionally carries with it practical experience in the selection of those projects most likely to succeed and in the best manner of carrying them out. It also brings with it a wide range of know-how and technical skill.

Private and Foreign Capital

Private capital already goes to South and South-East Asia in significant amounts which cannot be exactly measured, through many diverse channels. The importance of foreign private capital lies both in its contribution to production facilities and in promoting local enterprise and talent. Governments of the area have generally shown awareness of the need to take positive steps, within the framework of their own particular economic circumstances, to encourage such investment. All countries have to compete for available private capital, and the advantage of the region in this competition is that it offers potentially large and growing markets.

Capital may flow in from long-established business connections which are well acquainted with the conditions of the area. It may also flow in through industrial corporations new to the area, some with worldwide connections which are consequently selective in their decisions. They have a wide area of choice and they will naturally try to establish or expand industrial enterprises, frequently in co-operation with local private interests or Governments, in those countries where they believe that their investment will be most secure and profitable, and where the friendly receptivity of Governments is assured.

The attractions of the region, however, can be counterbalanced by such factors as apprehensions as to the security of investment, difficulties with administrative and financial procedures and restrictions, and uncertainties about the incidence and weight of taxation. To such matters Governments will no doubt continue to give detailed consideration.

During the year a number of countries in South and South-East Asia have run into balance of payments difficulties. They have been due to a variety of causes, for example different relative movements of prices, the impact of inflationary developments, or the increasing demand for imports flowing from the momentum of economic development.

Such a situation tends to be aggravated by speculative factors. Some of the countries facing these difficulties have been fortunate in possessing substantial external reserves and have thus been able to cover the deficit in their balance of payments while measures to rectify their difficulties have had time to take effect.

Some other countries whose exports are currently inadequate to pay for essential imports and whose exchange reserves are small in comparison with their needs have been helped by other external resources.

While deficits may arise from unforeseen circumstances there are dangers in planning for even a temporary deficit in the balance of payments unless there are adequate exchange reserves or the certainty of other external resources to cover it.

Development Plans

In some countries, development plans look forward to the establishment of new manufacturing industries in order, among other things, to correct gradually a deficit in the balance of payments. But the experience of developing countries seems to indicate that the increased demand for capital equipment, raw materials, spare parts and consumer goods which accompanies or results from economic development, may lead to a substantial increase in the total import bill, with consequent continuing strain on the balance of payments.

The great bulk of the finance needed for development must come from domestic resources, and the encouragement and mobilization of domestic savings, together with its utilization on wise economic lines, is therefore of crucial importance.

In the case of most countries in the area, external aid can only be supplementary, although it may be particularly valuable in helping to cover some portion of the external cost of development or achieving other specific purposes.

Their own export earnings are, however, of predominant importance for the fortunes of most countries of the area. The almost inevitable fluctuations in the prices of stable exports pose a difficult problem, particularly for those countries dependent on one or two export items. There is no simple solution.

Countries in this position may have to seek a solution in such ways as further diversification of their economies and the maintenance of financial reserves adequate to tide them over short-term fluctuations.

The settlement of main priorities is a matter to which governments in the area are giving increasing attention. In the case of food-importing countries, the expansion of food production is a high priority. An adequately fed population is a first essential. Quite apart from the social disasters which a shortage of food can occasion, it can also have serious effects on prices and may necessitate a large diversion of resources to pay for urgent food imports.

At the same time there are important food-exporting countries in the area and it is in the interests of their customers to profit from the natural advantages of these sources of supply and that the amounts of food available for export from these countries should continue to increase. Here again comparative advantage may determine the allocation of resources between alternative fields of production.

Moving Agricultural Produce

The provision of better transport facilities is another high priority in many countries, to enable the best use to be made of resources by increasing their mobility, to move agricultural produce from farms to markets, to bring raw materials to industries and to provide access to external markets.

The problems of the countries of South and South-East Asia vary very much. While some of the basic problems are quite similar, these countries are at many different stages of economic development. The differences in their size, in the extent of their entrepreneurial and administrative skills, and in the general character of their economies, all mean that the methods of meeting their problems must also vary widely. This is well brought out in the case of technical assistance.

Some countries need help most in the form of highly qualified missions specially equipped to deal with the planning or implementation of major projects. Other countries seek quite simple skills and it is thus important that technical assistance should fit the individual requirements of each country.

Furthermore, advanced facilities are of little value unless the basic knowledge is available to enable them to be used. Continuing care is required to ensure that the waste of technical resources is avoided.

South and South-East Asia with its hundreds of millions of people plays a large part in world trade, both in exporting primary products and manufactured goods and in providing great markets for the products of other countries. The potentialities of this two-way traffic are immense and it is in the interest of the world as a whole that these potentialities should be realised. World wide concern for the stability and economic development of the countries of the area is thus very great and is certain to remain so.

Earnings and Costs

Conversely, the affairs of the countries of the area are much influenced by events outside their borders, and by their ability to adjust themselves to these events. The situation in the world capital markets affects the availability of capital for development. World demand affects their export earnings and their import costs.

A major interest of these countries lies in a healthy and expanding world trade which can absorb their export commodities at remunerative prices; provide increasing quantities of capital and consumer goods in exchange; and, not least, add to the fund of savings upon which sound economic progress must be based.

There is continued reference throughout this Report to the search by countries of the area for additional resources, more capital, more equipment, and more managerial and technical skills. But it would be wrong to regard the situation as wholly discouraging. These are the signs that the countries concerned are pressing on with urgent tasks of development and the raising of living standards with speed and energy.

Reference to difficulties must not, of course, be taken to imply that the difficulties are insuperable, or indeed peculiar to countries at a relatively early stage of development.

Signs of strain are by no means limited to the less industrialized countries: they have been repeatedly evident in recent years in some of the most highly developed countries in the world; these too tend to find themselves continuously faced with the need to balance resources against aspirations, and, while making the quickest possible advance, to be constantly on their guard against the onset of inflation and external disequilibrium. Efforts must not flag because the road ahead runs uphill.

ON THE FORMOSA QUESTION

Progressive thinking on the Formosa question has gone far beyond the limits implied by Mr. Karl L. Rankin, retiring American Ambassador to the Formosa regime, in a recent farewell address as reported from Taipei. What the Ambassador fails to realize is that hardly anyone takes seriously the so-called "two-China" concept as a feasible alternative to the series of American foreign policy expedients vis-a-vis the "China question" which appear more fantastic with every passing day.

American preoccupation with the maintenance of the status quo in Formosa has doubtless prevented high diplomatic circles from familiarizing themselves with new trends in thought regarding the future of that Island. Informed foreign opinion has never been associated with the idea of collateral recognition of the Peking and Formosa regimes as representing a solution of conflicting claims to sovereignty. Rather, the position has been that Peking should be accorded recognition as the *de facto* (or *de jure*, as the case may be) government of almost 600 million mainland Chinese. For political reasons only, there has been some attempt at justification of a short-range dalliance with the Formosan ménage in certain quarters, an attitude that is playing out. Formosa, as the refuge of a dissident and discredited political minority superimposed on a native population which has learned to desire something better than exploitation by overlords, presents a problem of disposition, not recognition.

It is more than coincidence that the "Provisional Government of the Republic of Formosa" figures in the news

from Tokyo under the same dateline as Mr. Rankin's speech. The Tokyo dispatch states that a delegation from the Provisional Government will present itself at the coming Afro-Asian conference in Cairo to challenge both the Communist and Nationalist claims to Formosa. Also not generally known is that the president of the Provisional Government of the Republic of Formosa was present in Kuala Lumpur for the Merdeka ceremonies under sponsorship that did not permit a question to be raised as to his status. Evidence of burgeoning interest in the Formosa independence movement has been mounting for some time. Any charge that this movement is apt to be subverted by the Communists has little bearing on the fact of its existence, and certainly none upon the perpetuation of two Chinas.

There have been frequent suggestions to the effect that Formosa be taken in hand by the United Nations. These suggestions embrace free elections under United Nations supervision or the establishment of trusteeship with political status to be determined by plebiscite at some future date. Except for general war, or in the highly unlikely event that the United States should withdraw recognition and material assistance in toto from the present rulers of Formosa, the alternative of occupation of the island by force is considered out of the question.

It is significant that none of the changes in the status of Formosa, considered by foreign opinion to be "realistic," postulates the existence of two Chinas.

— Charles H. Barber

PROSPECTS FOR JAPAN'S TRADE

A sharp increase in the competition for world markets was noted by the Japan Export Trade Recovery Organization as a result of a world-wide survey conducted recently by its personnel stationed in various countries. The report stated that the United States, Britain, West Germany and Japan dominated the most important markets with France, Canada, Belgium, the Netherlands and Sweden following in that order. Japan's present trade position appears as follows:—

1. Japan is maintaining its lead in Southeast Asia but competition from the United States, West Germany and Communist China has recently become conspicuous.
2. Japanese cameras have secured a firm footing on the American market but many other products are meeting excessive competition.
3. Japanese products are winning a reputation in the Middle and Near East as being inexpensive and of good quality.
4. Japanese textiles are selling well in Africa.
5. Central and South America are buying more miscellaneous goods from Japan owing to the efforts of Japanese residents; the sales of jeeps, electric cars and vessels are also increasing.
6. Some of Japan's special products are being exported to West Germany but the feeling there is: "If it's cheap, it must be of poor quality."

Southeast Asia

Consigned American cotton manufactured into cloth by the Netherlands, West Germany, Britain and Hongkong as well as cheap Communist Chinese products are now on the Indonesian market. Japanese exports of iron plates and steel have fallen by half owing to competition from the United States and West

Germany while cheap Communist Chinese and West German nails have completely put Japanese nails out of the running. In India, Japanese rayon yarn has won out over Italian products but the threat from West Germany, Japan's chief rival, cannot be ignored. Britain is continuing to maintain its position in Malaya, but Communist China has made spectacular inroads into this area during the past several years. The United States has also expanded its sales of automobiles, electrical machinery and appliances, rolling stock, synthetic fibers and personal ornaments through the establishment of general agents. India, the United States and the Soviet Union are competing in Burma through the extension of aid and loans of foreign currency. Japan is experiencing difficulty in increasing its sales to Formosa owing to exports of U.S. aid products and West German goods. Japanese exports of steel, tires and dairy products have declined. In addition to Burma, the Soviet Union is also attempting to penetrate the other areas of Southeast Asia and the Middle East politically and economically.

North America

The fact that in the past year Japanese export products were the object of the greatest number of complaints from U.S. manufacturers, who termed them a "menace" to American industry, is eloquent proof of the spectacular advance made by Japan in this market. Japanese cameras have been putting pressure on West German products. For example, the latter accounted for 40 per cent of the United States' total import volume in 1953 and the former 15 per cent; but last year, the

figures were reversed—70 per cent for Japan and 22 per cent for West Germany. Japanese camera makers, who are marketing their products in the U.S. under their respective trademarks, have either opened branches in New York or appointed agents through whom their cameras are being sold and publicized to retailers throughout that country. Items such as Western-style tableware, cigarette lighters and portable radios are competing against each other due to excessive sales campaigns among Japanese exporters. It is necessary that exports to the United States be placed on a selective and orderly marketing basis, as in the case of cameras, and at the same time they should possess some special characteristics such as quality, design, processed finish, efficiency, originality or dependability. Efforts should also be made to exploit the hitherto undeveloped market in the southern part of the United States.

Middle and Near East

After the withdrawal of Britain and France from the Middle East following the Suez dispute, the United States, West Germany and the Communist countries have been competing intensely in this area. The United States, for instance, is taking advantage of the assistance it is giving under the Eisenhower Doctrine while the Communist nations are also extending aid and buying up surplus agricultural products. Japanese exports to Iran, Iraq, Egypt and the Sudan since last year have increased but they did not come up to expectations in the case of Syria and Lebanon. As a whole, Middle Eastern countries consider Japanese products as being "cheap but not inferior." Japanese cotton fabrics are felt to be especially good and sewing machines are regarded as a representative product of Japan. In Iraq and Syria sales of Japanese electric fans are steadily increasing while fire engines are finding a larger market in Syria and Egypt. Agricultural machinery exports have declined owing to the lack of after-service. In respect to investments, the biggest change has been noted in the retreat of British capital and the emergence of U.S. capital. Italy, West Germany and Japan are also showing more activity in the direction of investments.

Africa

The U.S. and West Germany are exporting capital goods to Africa while Japan and India are steadily advancing into this market with textiles. In the British territory of West Africa, Japan now follows Britain as the largest exporter to that area while it ranks fifth in exports to South Africa, chief products being textile products, toys, sewing machines and radios. No product of another country is able to match the firm foothold the Japanese synthetic textiles have established in the British territory of East Africa.

Central & South America

One Japanese miscellaneous goods wholesaler in Caracas, Venezuela is making sales of ¥200 million annually of Japanese products. Many Japanese dealers in miscellaneous items are now scattered throughout Venezuela. Japan made jeeps appeared in that country for the first time in January, this year. In the following six month period, 360 were exported with 25 of them participating in the Venezuelan army review last July. As for plant exports, Japan sold 90 electric cars to Brazil at the end of last year and in July this year succeeded in winning bids for three tankers against competition from European and American firms.

Western Europe

Japan's exports to Western Europe last year amounted to \$245 million, accounting for only 0.6 per cent of that area's total import value. In contrast to the fact that intra-European trade is centered around heavy industrial goods, Japanese export products, are light industrial items, such as textiles, and special products, such as mandarin oranges. Sales of sewing machines, cameras, ceramic and porcelain wares and rubber goods, however, are slowly gaining. Since West European countries still mistrust Japanese goods as being "cheap and inferior", they are in fact restricting these imports regardless of whether or not they apply Article 35 of GATT against Japan. West Germany is especially severe in this respect.

ECONOMIC REPORTS FROM JAPAN

EXPORTS AND IMPORTS IN FIRST HALF OF FISCAL 1957

Japan's balance of foreign trade for the first half of 1957 fiscal year (April through September) showed an extremely heavy deficit of US\$910,931,000, compared with \$412,486,000 for the corresponding period last year. According to the customs clearance, exports during the period under review totaled \$1,438,697,000 and imports \$2,349,628,000, recording big increases of 18 percent (\$218,955,000) and 44 percent (\$717,400,000) respectively over the comparable period last year. Among the major export commodity groups, machinery showed the largest upswing totaling US\$323,819,000 (41.1 percent more than the like period last year), of which vessels accounted for \$186,839,000 (56.5 percent more). Next in order came pharmaceutical and chemical goods (25.4 percent up), followed by textile goods (24.6%), and food and beverages (5.9%). Decreases were seen, however, in metal and metal products (12.9 percent down), and non-metallic mineral products (1.2%), reportedly owing to the brisk expansion in industrial investments at home.

On the list of export articles, vessels ranked first with \$186,839,000 making up 13 percent of the total exports during the April-September period, being followed by cotton

fabrics with \$156,567,000 (10.9 percent of the total exports), iron/steel goods with \$99,500,000 (6.9%), spun rayon fabrics with \$75,342,000 (5.2%), clothes with \$75,333,000 (5.2%), fish and shellfish with \$57,456,000 (4.0%), chemical fertilizers with \$39,250,000 (2.7%), toys with \$35,925,000 (2.5%), rayon filament fabrics with \$35,731,000 (2.5%), and metal products with \$33,358,000 (2.3%).

In the field of imports, raw materials for textiles as a whole registered a 3.8 percent dip from the corresponding period last year amounting to \$415,331,000 in total. Other commodity groups showed notable increases without exception; 85.3 percent for machinery, 81.0 percent for mineral fuels, 75.2 percent for metal ore and scrap, 25.0 percent for non-metallic minerals, 9.0 percent for animal and vegetable materials. On the list of import goods, petroleum came first with \$256,253,000 accounting for 10.9 percent of the total imports during the period under review, being followed by iron/steel goods with \$223,309,000 (9.5 percent of the total imports), raw cotton with \$212,394,000 (9.0%), iron/steel scrap with \$161,733,000 (6.9%), raw wool with \$139,142,000 (5.9%), iron ore with \$118,464,000 (5.0%), coal with \$96,264,000 (4.1%), wheat with \$94,044,000 (4.0%), sugar with \$82,239,000 (3.5%), and non-ferrous metal ores with \$71,461,000 (3.0%).

Given below are the customs clearance statistics for the first half of fiscal 1957, in comparison with those for the corresponding period last year:

(Value: in \$1,000)

Exports	Unit	First half of fiscal 1957		First half of fiscal 1956	
		Quantity	Value	Quantity	Value
Food & beverages			89,456		84,436
Fish & shellfish	tons	98,372	57,456	92,603	56,447
Tea	1,000 lbs	10,423	2,772	10,109	2,589
Textile & products			507,675		407,472
Raw silk	bales	36,857	20,644	35,089	19,542
Cotton yarn	1,000 lbs	17,457	14,392	11,276	10,669
Rayon filament yarn	"	13,107	6,669	8,688	4,178
Spun rayon yarn	"	24,731	12,125	17,236	7,686
Cotton fabrics	1,000 sq. yds.	729,161	156,567	517,572	110,583
Silk fabrics	"	30,872	15,536	21,951	12,322
Rayon filament fabrics	"	191,151	35,731	225,014	45,558
Spun rayon fabrics	"	467,354	75,342	342,580	60,181
Clothes			75,333		65,028
Pharm. & chem. products			70,150		55,958
Chemical fertilizer	tons	681,624	39,250	490,568	26,394
Non-metal mineral products			60,697		61,442
Cement	tons	1,086,924	19,378	1,197,069	21,772
Ceramics			27,339		25,886
Metal & products			153,744		176,583
Iron & steel	tons	445,213	99,500	677,993	115,136
Non-ferrous metals	"	14,216	20,886	23,419	26,606
Metal products			33,358		34,842
Machines			323,819		229,517
Tex. machines & parts			14,656		15,839
Sewing machines		849,803	20,825	737,304	17,000
Vessels		482	186,839	378	119,422
Others			233,156		204,334
Lumber	M 3	209,161	11,767	299,431	16,136
Toys	tons	35,865	35,925	33,770	31,317
Plywood	1,000 sq. ft.	458,597	29,108	353,556	21,617
Total			1,438,697		1,219,742

Imports	Unit	First half of fiscal 1957		First half of fiscal 1956	
		Quantity	Value	Quantity	Value
Food & beverages			312,736		273,033
Rice	tons	239,277	32,139	394,511	55,403
Barley	"	448,218	29,969	498,920	33,639
Wheat	"	1,277,556	94,044	1,226,290	89,494
Sugar	"	548,751	82,239	546,880	56,986
Textile materials			415,331		431,842
Rayon pulp	tons	79,945	17,653	65,530	13,736
Wool	"	142,303	139,142	159,732	118,911
Raw cotton	"	692,120	212,394	794,482	258,133
Hard & bast fibers	"	112,589	14,592	108,422	12,978
Metal ores			396,133		226,089
Iron ore	tons	5,403,023	118,464	4,010,734	71,956
Iron/steel scrap	"	1,853,060	161,733	1,270,761	87,656
Non-ferrous metal ore	"	1,309,446	71,461	863,278	39,317
Non-metal mineral			61,431		49,139
Phosphate ore	tons	891,493	23,681	920,777	22,294
Salt		1,088,111	16,031	1,152,574	14,753
Mineral fuels			360,719		199,336
Coal	tons	3,540,341	96,264	1,697,614	39,672
Petroleum	kl	10,600,765	256,253	7,584,876	155,261
Other raw materials			197,400		181,183
Raw hides	tons	37,632	15,175	37,213	15,061
Soybeans	"	395,188	46,458	346,979	44,156
Crude rubber	"	66,041	42,800	54,728	35,261
Lumber	M 3	1,487,111	42,858	1,308,327	41,686
Pharm. & chem. products			99,594		85,889
Potassic fertilizer	tons	350,719	18,511	547,403	27,894
Machines			151,353		81,678
Others			354,931		104,039
Beef tallow	tons	73,830	15,944	64,531	13,406
Iron/steel	"	1,636,272	223,309	175,242	18,856
Total			2,349,628		1,632,228

JAPANESE INVESTMENT IN PAKISTAN

Japan will participate in the capitalization of the Pakistan Industrial Financial Corporation which will be established soon as a step toward promoting the growth of small and medium-sized enterprises in Pakistan. Twelve designated Japanese foreign exchange banks will make a joint investment totaling two million rupees. The corporation is to be capitalized at 50 million rupees—of which foreign investments will total eight million rupees.

The Japanese decision to participate was taken on the basis that such cooperation would be in accord with the principle of Japanese-Pakistani economic cooperation. Pakistan agreed as a condition for this investment that one Japanese director, representing these banks, would participate in the proposed corporation's management. Makoto Asano, manager of the Bank of Tokyo Karachi branch, was appointed to this position.

The corporation is assured of a 20 million rupee loan from the World Bank as well as investments of three million rupees each from the United States and the United Kingdom. The corporation is expected to start functioning in the near future. The Pakistani Government had been planning to set up a corporation which would give priority to small enterprises as part of its overall industrialization policy. Investments in the Pakistan Industrial Financial Corporation will total 50 million rupees which broken down are as follows:

Pakistan Government	30 million rupees
Domestic Public Subscriptions	12 million rupees
Foreign Investments	8 million rupees

Japan was requested to invest two million rupees since the United States and the United Kingdom had pledged earlier to furnish three million rupees each.

JAPAN IN BRAZILIAN TRADE FAIR

More than 8,000 items will be displayed by 35 Japanese firms at the Rio de Janeiro International Exposition of Industry and Commerce (Exposicao Internacional de Industria et Comercio do Rio de Janeiro) to be held for three months from January 1, 1958. Japan's decision to participate in the Brazilian capital's gala trade fair was based on the Japanese desire to contribute to Brazil's industrial development and also to further the welfare of its people so that the trade and friendship between the two countries may be increased.

Preparations for the Japanese exhibits at this fair, which is to be on a huge scale, are being handled by the Japanese External Trade Recovery Organization (JETRO). Heading the list of the products to be exhibited are construction machinery (power shovels, tractors, etc.), power generators and engines as well as engineering, textile and electrical machinery. Japanese representatives from various circles in Japan will be stationed in an information booth at the fair to answer inquiries of visitors. In order to give added significance to the event, JETRO will sponsor a Japanese fireworks display against the background of Rio's beautiful world-famous beach. A similar show won loud praise at the 1st World Trade Fair in New York last April. It is expected to become the topic of the fair.

ECONOMIC DEVELOPMENT OF MINDANAO

By Ismael Veloso

(Congressman from Davao)

At no time has Mindanao needed the attention of both government and people more urgently than today. In the past the attention of the government as regards Mindanao was directed largely towards the peace and order situation. The history of Mindanao has been largely identified with the wars with the Moros, with the result that the problems of Mindanao were largely considered to be military. Now that the wars between Christians and Moros are over, there are other problems with regard to Mindanao which must be faced.

The influx of new settlers into Mindanao has been enormous. They have settled in our valleys and on our plains. They have swollen our sitios into barrios, our barrios into towns. They have brought with them greater activity and greater progress. They have also brought greater problems. It might be well to outline a basic program for the agricultural and economic development of Mindanao.

The first things needed in Mindanao are roads. We need roads to the interior plains and valleys. This will assure the inflow of population, especially of farmer-pioneers to the fertile lands in the interior. Second, in making new subdivision of public land, at least 100 but no more than 250 hectares must be reserved for barrio and town sites along national highways and provincial roads. These town sites should be about 10 kilometers apart. These will become eventually sizeable communities envisioned by the National Urban Planning Commission. Third, we must reserve for every town a certain portion not exceeding 1,000 hectares of forest area to be made into municipal communal forests. These will provide a continuous

lumber supply for the individual family needs within the community. The indiscriminate cutting of forest timber with no plan to provide for the increasing needs of the community in the future (as is being done now) is criminal. Floods are recurrent due to excessive deforestation.

Fourth, we plan the establishment of municipal nurseries to distribute seeds and fertilizer. As a help to farmers many of whom are unschooled in agricultural methods these municipal nurseries could conduct demonstrations in methods of cultivation, harvesting, crop-curing, etc. The nursery personnel could disseminate much valuable technical information by periodic visits to farmers. Fifth, the government must establish at strategic places in all the provinces breeding stations to propagate new stock of animals by crossbreeding and by artificial insemination. These stations can also demonstrate ways of controlling and preventing the spread of disease. We must educate the people of Mindanao in the promotion of backyard herding and husbandry as is being practiced in Switzerland and other small European countries with scanty forage supply. The Batangas type of home grazing and herding should be recommended to all while extensive cattle-raising must be given full financial encouragement. The production of milk and milk by-products should be promoted. This must be treated as a new industry with the objective of eventually reducing the millions of pesos spent on dairy imports.

Sixth, fish culture both in seas and in inland waters must be financed and promoted. The marshy areas in Mindanao are potential fish pond reserves for bangus and other commercial

fish. The establishment of fishery schools is urgently needed to train the people in the techniques of fish preserving and canning. This would save dollars for our people who are now spending a great deal of money on imported salmon and sardines. The government canning factory in Malabon for bangus sardines is an indication that the fish canning industry properly directed can be successful here. Seventh, we must establish in Iligan and in Cagayan de Oro or their environs private or government smelting plants for steel and iron industries by utilizing the cheap electric power of Maria Cristina. A country cannot succeed in industry without a plentiful supply of steel and iron. The Philippines has mines of iron, copper, manganese, chromium and other metals but must send these raw materials abroad for processing. These metals return to us in the form of manufactured or finished products at prohibitive prices. Our country in consequence has become a mere provider of raw materials and a necessary absorber of the finished and processed product. There is a need to change our course in this regard.

Eighth, we must be ever zealous about our lumber industry. What we do today is wasteful. We cut down as many logs as possible and sell them last to Japan and America to take advantage of the great profits in dollars. We have disregarded the matter of conservation of our timber reserves for future generations. The lumber industry in all phases can be fully developed here through the establishment of more saw mills and machinery for the manufacture of plywood, wallboards, veneers, boxes and toys. This is what Japan is doing with the lumber that she is importing from us. In this instance we are again merely providing the raw materials when we could do the processing and manufacture the finished product ourselves. By merely exporting logs we do indeed earn dollars but we are not providing jobs.

Ninth, we must discover the industrial uses of our coconuts. Northern Mindanao is a coconut region. While advanced countries have discovered modern techniques for utilizing our copra and oil for making butter, soap and very recently also coconut flour, our agricultural experts and industrial pioneers have failed to take advantage of these techniques. We have not acquired the necessary machinery for the manufacture of coconut by-products. Such manufacture would provide jobs and would cut down imports. Tenth, mining should be encouraged. All the provinces of Mindanao have vast mining possibilities. Our private capital might well be siphoned to the opening of new mines and the continued exploitation of the present productive ones. There is a world demand for our mining products as there is need for our increased industries. This is the reason why the government has earmarked

P20,000,000 for the construction of a smelting plant in the city of Iligan.

Eleventh, our agricultural output can be increased by utilizing every plain and valley and hill not otherwise suited to the production of our export crops but utilizable instead for such staple food as rice and corn. I hate to see or hear of our country spoken of as rich in soil, favored with an ideal climate and abundant rainfall and blessed with natural waters, creeks and cataracts and yet still hungry for rice and corn. Every year we import from other countries more than P50 million worth of rice alone. Mindanao's plains and valleys if harnessed to the full can produce all the rice our whole nation needs.

Twelfth, more study is needed regarding the planting of other crops needed for home industries. I refer to cotton, coffee, cacao, soy beans, potatoes, garlic and onions. In this wise the Department of Agriculture could intensify the campaign by charting our weather conditions, analyzing the soil capacity and thus promoting the so-called intermediate agricultural crops to feed our young industrial plants as well as supply the daily needs of housewives. Cotton which can be raised in this region must be given more scientific study and experiment so as to obtain fuller information to suit farm production.

Mindanao is nature's paradise. It is an agricultural reserve. We have the land and the natural resources. Perhaps what we lack are the men. We are still graduating thousands of lawyers and other professional men. There are very few farmers properly trained in modern agricultural techniques. Yet we need such farmers and agriculturists and technicians. We need the plowman to break the soil, the miner to excavate the mines, the logger to topple down the logs and saw them into lumber, the herdsman to increase our animal stock for home consumption. We need the artisan to plan the water canals and construct the water mains, the soil engineer to bring the water and dam our rivers for irrigation. We need the agronomist to chart the crop planting and harvesting. We need the cropper to gather the harvest and place it on the free market. We need the farm manufacturer to discover and exploit the agricultural uses of farm by-products. We need the farm hand to harvest and bale the cotton, abaca, ramie, kenaf, sisal and other fibers. We need the soil chemist to discover the proper fertilizer needed for various places and various plants. We need the veterinarians to prevent the spread of animal disease. We need the technician to transform the barren hillside clay into ceramics. We need the craftsman to utilize our rattan, bamboo, talahib and cogon for the manufacture of baskets, chairs, tables, wall lamps and other goods. All the above are merely phases in that vast field called agriculture. This type of agriculture requires planning and sound statesmanship.

ECONOMIC LETTER FROM MANILA

Alfonso Calalang, president of the Bankers Association of the Philippines, is advocating a program of austerity as a solution for the economic ills of the Philippines. He stressed that the country should live within its own resources. He proposed a minimum overall reduction of \$10,000,000 monthly in imports and effective plugging of all leaks in the present system of controls. The banker also called the attention of Congress to the need for reexamining existing laws with a view to revising or eliminating those that deter rather than promote sound and healthy growth of the economy.

Government leaders are shaping up an austerity budget for 1958, designed to fit into a four-year plan to put the

nation's economy on an even keel by 1962. One immediate part of the plan will be intensification of effort to bring a million and a quarter acres under irrigation by 1960, increased pest control activities, establishment of more seed farms, improved rice culture, and construction of more rural and feeder roads. Defense officials are discussing extensive modernization of the Armed Forces of the Philippines to bring the AFP more closely into line with the needs of the atomic age. The pay of enlisted men will be increased by a total of P6,800,000 in the next fiscal year.

The Philippines will float a \$50,000,000 bond issue on the New York Exchange on January 1 through the New York investment banking house of Allen and Company. Proceeds

of the bonds, which will mature in 20 years, will be used for economic development in the Philippines. The money will relieve pressure on the Philippine dollar reserves, which the government has been using to allow the importation of capital goods.

The Philippines' application for a power loan from the World Bank has been approved. The dollars are required for the Binga hydroelectric project in Mountain Province. Approval of the \$21,000,000 loan assures the Philippines of foreign exchange to cover the cost of machinery and equipment being ordered from Europe. A \$32,000,000 credit has been given by the U.S. Government to finance the smelter project of the National Shipyards and Steel Corporation. This will supersede a previous plan to seek the loan from the World Bank.

The Manila Railroad celebrated its 65th anniversary. The road's 117-mile Dagupan line was inaugurated on November 24, 1892. In the past few years it has made great progress and has been acquiring increasing amounts of modern equipment. The Manila railroad's most ambitious expansion project for the near future will be construction of a 200-mile extension from San Jose in Nueva Ecija to Tuguegarao in Cagayan at an estimated cost of P78,000,000. The last Congress passed H. B. No. 6932 (which became R.A. 1862) appropriating P30,000,000 in cash from bonds at the rate of P6,000,000 a year for five years, plus P48,000,000 worth of reparations goods from Japan in the form of construction materials at the rate of P8,000,000 a year for six years to finance the rail extension. The MRR is also to rebuild its main terminal at Tutuban in Manila at a cost of P2,000,000, financing the project from accumulated sales of real estate property of the company.

The estimated available sugar for export for the calendar year 1958 will amount to a total of 935,000 short tons of centrifugal commercial sugar, as follows:

Philippine Sugar Statistics for 1958
 (short tons, commercial weight)

1. Estimated production, 1957-58	1,220,000
2. Plus carryover, Jan. 1, 1958	5,000
Total production & stocks for '58	1,225,000
3. Less estimated shipments during latter part 1957 out of 1957-58 crop.	100,000
Net supplies available	1,125,000
4. Less estimated (Philippine domestic) consumption for 1958	310,000
Available supplies for export	815,000

5. Add estimated supplies for shipment during the latter part of 1958 out of 1958-59 crop	120,000
6. Total available supplies for export in 1958	935,000
7. Export quotas:	
Philippine quota to U.S.	952,000
Philippine quota to world market	49,590

These figures do not include the low grade sugars, muscovado sugar, pilones and panochas, which are mostly consumed locally.

Two officials of Champion Paper and Fiber Co. of Hamilton, Ohio, including Admiral Arthur Radford, former chairman of the U.S. Joint Chiefs of Staff and now a consultant of the company, investigate the possibility of setting up a pulp and paper mill in the Philippines. Preliminary studies on establishing the mill were made by Karl Bendetsen, now an executive of Champion Paper and Fiber and formerly chief of the American panel on Philippine-United States military bases negotiations here last year. Paper company officials said that Bendetsen's survey had been sufficiently hopeful to encourage further study by experts, although no definite plans for the mill have yet been set. The Philippines has great potential resources, barely touched, to support a large and profitable pulp and paper industry.

Australian officials make efforts to expand trade with the Philippines. Australian exports to the Philippines have increased steadily in recent years, rising from P3,126,000 in 1949 to P9,999,000 last year and P3,915,000 in the first quarter of this year. Philippine exports to Australia have fallen off from a high of P4,373,000 in 1949 but recently have again been rising—P653,000 in 1955, P786,000 in 1956, and P213,000 in the first quarter of 1957.

Exploration crews drilling for oil in the second hole of the Cagayan valley concession operated jointly by three firms dug to a depth of 12,417 feet as of Nov. 22. Improvement in hole conditions permitted a faster drilling rate. The hole is being conditioned preparatory to running the usual electric log and dipmeter survey, after which drilling operations will be resumed, according to the operating committee of Philippine Oil Development Co., Texas Overseas Petroleum Co., and California Asiatic Oil Co.

The Goodyear Tire and Rubber Co. of the Philippines issued a statement that its products have gone down in price by as much as 20% since the establishment of the Goodyear plant here. The statement was made in answer to claims by the National Marketing Corporation that there have been "widespread protests" against tire prices here and that as a result NAMARCO has been asked to import rubber products. The Goodyear firm, which is employing some 500 Filipinos, said that its auto tires have been cut by as much as 18.3% and its truck tires by up to 11.6%.

FAR EASTERN NOTES AND NEWS

Agreements and Arrangements

On 15 August 1957 the Governments of **Burma** and **Pakistan** concluded an agreement for the purchase by Pakistan of 78,700 tons of Burma rice valued at £292 million. A new trade and payments agreement was concluded on 19 September 1957 between the Government of **Ceylon** and the People's Republic of **China**. Under the agreement, Rs 71 million (Re 1=US\$0.21) will be given by the latter over the next five years for the rehabilitation of rubber plantations in Ceylon. The aid would be given in lieu of the payment of a premium for rubber purchased by mainland China from Ceylon. Mainland China will buy from Ceylon 30,000 tons of rubber annually as compared to 50,000 tons under the existing agreement and Ceylon will buy 200,000 tons of rice from mainland China, instead of 270,000 tons.

Payments arrangements have been concluded between **Ceylon**, **Egypt** and **Japan**, whereby Japan's payments for purchases of cotton from Egypt could be utilized by Egypt for purchases of tea from Ceylon. Under this plan Rs 60 million would be made available annually to Egypt for tea purchases in Ceylon, and Ceylon would be obliged to purchase consumer goods from Japan and Egypt in larger quantities so as to stabilize its tea trade.

A new trade agreement, valid from 1 April 1957 to 31 March 1958, between the governments of the **Republic of China** and **Japan** was signed on 31 August 1957. The agreement provides for a volume of trade of US\$92.6 million each way, an increase of US\$16.5 million over the previous agreement. Exports from China (Taiwan) to Japan under the agreement include raw

sugar (US\$40 million); rice (US\$23 million); bananas (US\$4.5 million); salt (US\$2 million); canned pineapple (US\$2.5 million) and brown sugar (US\$1.5 million). Imports into China (Taiwan) from Japan include chemical fertilizers (US\$22 million); machinery (US\$10 million); ferrous products (US\$10 million); ships and rolling stock (US\$10 million) and ceramics (US\$5 million). Under last year's agreement, imports from Japan into China (Taiwan) amounted to US\$73.7 million or nearly 90 per cent of the US\$76 million each way trade target. Commodities bought by Japan from China (Taiwan) totalled US\$46.8 million or about 60 per cent of the stipulated trade volume.

The trade agreement between **India** and the **Austrian Federal Republic** which was signed on 9 December 1952 has been extended up to 30 June 1958. Austria has agreed to license freely for import into Austria from India the following commodities: raw wool, pig bristles, cottonseed oil, coir, coir yarns, handicraft manufactures, iron ore, manganese ore, mica, shellac, linseed oil, spices, myrobalans, tanned leather, tea, carpets, sports goods, raw cotton. A new trade agreement between **India** and **Czechoslovakia** has been concluded on 30 September 1957 and is valid from 1 October 1957 through the end of 1960 and can be extended upon mutual agreement. Payments for commercial and non-commercial transactions between the two countries will be made in Indian rupees and any balances will be convertible on demand into pounds sterling. Under the new agreement the two governments have also decided to encourage triangular trade arrangements as a means for widening and developing international trade. Exports from India to Czechoslovakia will include ores, spices, hides and skins, vegetable oils, tea, coffee, manufactured products such as cotton, rayon and woollen textiles, plastic goods, coir products, jute manufactures, leather goods, handloom fabrics, handicrafts and Indian films. Imports into India from Czechoslovakia will include machinery of various kinds, machine tools, diesel generating sets and engines, agricultural tractors, textile machinery, paper and newsprint, narrow gauge diesel locomotives, Czechoslovakian films and others.

Trade arrangements between the Government of **India** and the Democratic People's Republic of **Korea** have been outlined through an exchange of letters between the two countries. Definite quantities of goods to be exchanged will be determined in due course. The list of exports from India includes jute goods, tea, shellac, coffee, ores, vegetable oils, cotton and woollen textiles, coir and coir manufactures, soaps, machine tools, sewing machines and linoleum. India may import from northern Korea, cement, glass sheets and plates, electrolytic zinc, steel, caustic soda and other chemicals.

An economic and technical co-operation agreement has been concluded on 29 August 1957 between the Governments of **Indonesia** and the Federal Republic of **Germany**. The agreement provides for the sending of German experts to Indonesia to explore possibilities of economic development and for training of Indonesian nationals in western Germany on techniques and skills in the industrial field. For the implementation of this agreement a joint committee will be set up in western Germany and Indonesia.

A new trade agreement has been concluded between the Governments of **Japan** and **Pakistan**, effective from 1 July 1957 through 30 June 1958. Under the agreement, Japan will export to Pakistan textiles, iron and steel, capital goods and machinery, chemicals and dyes; on the other hand, Pakistan will export to Japan raw cotton, jute, hides and skins and salt. The present trade agreement between **Japan** and the **United Kingdom** which was due to expire at the end of September 1957 has been extended until 31 March 1958, pending negotiations for a new agreement. From October 1956 through May 1957 exports from Japan to the sterling area amounted to £358 million and imports, £400 million. The agreement provides for a trade of £600 million each way.

An agreement between the Governments of **Pakistan** and the **United Kingdom** was concluded in June 1957, whereby the two countries agreed to eliminate double taxation and fiscal evasion of payments of duties on the estates of deceased persons.

The Government of the Republic of the **Philippines** signed in August 1957, the articles of agreement of the International Finance Corporation and thus became the fiftieth member of that body. The Philippines was assigned a quota of 166 shares

involving the payment of US\$166,000 which brought the IFC's total subscribed capital to US\$92,058 million.

Trade & Exchange Controls

Beginning from 1 August 1957 all visitors to **China** (Taiwan) can sell their foreign currencies at the following preferential rates: US\$1 for N1\$34.00; £1 for N1\$95.20 and HK\$1 for N1\$35.92. New currency declaration cards are supplied to visitors who shall record the amount of foreign exchange brought in by them and the balance at the time of their departure. There is no limit to the amounts brought in. Unspent local currency may be reconverted into foreign currency up to the maximum of US\$50 or its equivalent per person.

The Government of **India** has announced on 30 September 1957 its import policy for the next six months—from October 1957 through March 1958. Drastic cuts have been made on many items, such as diesel engines of road vehicular type, fluorescent tubes, motor truck and car batteries, butter, cheese, manufactured tobacco, cement, artificial silk yarn and other items. However, quota licences to established importers for raw materials required by indigenous industries have been provided for as well as for the imports of spare and replacement parts.

For the second half of 1957 the **Philippine** Government has allocated US\$260 million to cover all types of imports, a decrease of US\$60 million compared to the allocation for the first six months of 1957. The Central Bank of the Philippines has adopted two new policies on granting quotas to industrialists. It will not grant quotas for machineries and raw materials to new industries that propose to produce non-essential items, or items the importation of which is very limited. Industries already in existence which manufacture goods falling under the above categories are not affected by the new rulings.

The Government of **Thailand** has placed rice export during the second half of 1957 under quota control in order to forestall any shortage of supply for domestic use. Each rice exporter would be granted a quota equivalent to 30 per cent of the quantity of rice he was permitted to export during the first half year of 1957. Glutinous rice is exempted from export control. A ban on the export of the 25 per cent and lower grades of rice was imposed in early August 1957.

Development Plans

Preparations have been made by **Cambodia** and **Japan**, for setting up a joint Japanese-Cambodian company for the development of forestry resources in Cambodia. Capitalization of the firm in Cambodian riels currency amount to the equivalent of Y200 million, with Japan taking up 49 per cent and Cambodia, 51 per cent. Under the present plan the company will purchase 240,000 acres of forests around Kompong Som Bay to obtain 600 million cubic feet of lumber. A sum of Y370 million (Y360=US\$1) will be set aside to be used for equipment and operational funds for the initial stage of the development work.

A chemical fertilizer plant is being planned to be built in South Sumatra, **Indonesia**, and the Government has contracted for the building of the plant with two American firms at a cost of US\$25 million which is to be financed under a loan from the Export and Import Bank. The plant is expected to start operation in 1960. A car assembling plant is also under consideration and discussions are being held with a private firm by officials of the Planning Bureau and the Industrial Service of Celebes. The proposed factory would mainly assemble jeeps and trucks and have a service and repair station.

A new paper factory is expected to be in operation in 1958 in the **Philippines**. The P15 million factory will use pulp from bamboo which is available in large quantities in Bataan, where the plant is proposed to be located. The government has granted the management of the plant exclusive franchise to harvest bamboo in the national park which has an area of 31,000 hectares. The **Philippine** Government has approved the establishment of a Forest Products Research Institute. Its functions are to study and recommend the effective utilization of all forest products and their by-products and to give encouragement for the development of wood and lumber industries. Two new milk factories for the canning of evaporated and condensed milk have also been approved by the government. Raw materials (powdered milk) have to be obtained either through the United

States-Philippine agricultural pact or mutual aid agreement. Foreign exchange for capital goods requirements may be obtained either from the US Export-Import Bank or other American financial institutions and not from Philippines' foreign exchange reserves.

Investments and Aid

The second four-year economic plan of **China (Taiwan)** which was launched on 1 July 1957 is expected to increase the national income by 25 per cent; agricultural production, 19.7 per cent and industrial production by 96 per cent. The plan calls for a total investment of NT\$20,000 million (NT\$15.60=US\$1), of which NT\$10,345 million or half, will be used for industrial development. During the first year NT\$128 million will be invested in the development of the mining industries; NT\$14,000 million on industrial production and NT\$821 million in electric power plants. The first artificial woodboard plant in Taiwan began operation in August 1957. The monthly production capacity is estimated at 400 m³ of artificial woodboard processed out of 1,200 m³ of waste lumber. The plant is capitalized at NT\$20 million. It was announced by the Government of the Republic of **China (Taiwan)** that for the fiscal year 1958 (1 July 1957 through 30 June 1958) a total of US\$40 million and NT\$580 million from United States of America aid fund will be spent on development projects in Taiwan. Funds will be allotted for the production of fertilizers, manufacture of tyres, motor switches and other tools, establishment of a bagasse board plant and for investment in power and transportation facilities. Upon completion of these, it is estimated that the annual industrial production will amount to US\$50.91 million and the export earnings will amount to an additional sum of US\$3.54 million.

To finance and further develop industrial and other projects in Central Sumatra, **Indonesia**, the government has decided to co-ordinate all development funds in all the ten regencies in Central Sumatra by establishing the Central Sumatra Development Funds Foundation. This foundation is established in Bukittinggi and forms part of the Central Sumatra Co-operative Bank. A Development Funds Council has also been formed to take charge of the implementation of the foundation's plans. A modern and new cement factory in Gresik, East Java, **Indonesia**, started operation in August 1957. Its annual production target of 250,000 tons when added to the production of the other cement factory would meet 80 per cent of the domestic requirement for this commodity. The factory is a joint United States of America and Indonesian enterprise and financed partly by the Export-Import Bank of the United States of America.

Following the revaluation of the French franc, the Government of **Laos** has announced that the Laotian kip is now pegged at 35 kip to US\$1 and 1 kip equals 12 French francs.

A sum of over P12.5 million has been provided by the United States International Co-operation Administration in agreement with the **Philippine** Government to the Industrial Guarantee and Loan Fund of the Philippine Industrial Development Centre to provide credit financing for domestic industries. The amount will be utilized to encourage local banks to extend credit to industrial undertakings under better rates of payments by guaranteeing 80 per cent of whatever losses may arise.

A M\$2 million textile mill was expected to be in operation in **Singapore** by October 1957 and will produce various kinds of cotton cloth, shirtings, drills and other textiles. Over 200 automatic looms have been bought for the plant. It is expected that 300 workers will be employed in the new mill.

A loan of US\$66 million has been sanctioned by the International Bank for Reconstruction and Development to the Government of **Thailand** to help finance the Yanhee project for the development of electric power, flood control and irrigation. The loan is for twenty-five years at 5½ per cent interest. Amortization would begin on 15 October 1963. The World Bank has previously made five loans to Thailand, totalling US\$40.8 million for the development of railways and the port of Bangkok.

Commodities

Pakistan announced final acreage and production estimates for certain crops for the year 1956-57 as follows:

Commodity	Area (acres)		Production	
	1955-56	1956-57	1955-56	1956-57
Tea	76,000	76,500	54.6 million lb	52.3 million lb
Barley	543,000	530,000	133,000 tons	148,000 tons
Gram	3,378 million	3,345 million	724,600 "	720,000 "
Cotton	3,891 "	3,537 "	1,737 million bales	1,73 million bales

In order to arrest the rising price of **rice**, **wheat flour** and **sugar** in the domestic market the **Philippine** Government has ordered the release of these commodities from its stock pile and has bought from abroad about 40,000 tons of rice. **Indonesia** has contracted for the purchase of 25,000 tons of **rice** from Burma and 50,000 tons from Italy. A similar contract was previously concluded by the government for the purchase of 25,000 tons of rice from northern Viet-Nam. **Indonesia** abolished its monopoly of **salt** production. Recently the Government had to import large quantities of salt to meet increased consumption in the country.

The production of indigenous **sugar** in **India**, during the current season up to 15 July 1957 amounted to 2.02 million tons as compared with 1.8 million tons for the same period in 1956. **Green tea** has been added to the list of items to be exported to Afghanistan from **India**. A tea delegation from India has been proposed to be sent to implement the drive to accelerate the export of green tea to Afghanistan. It was reported by the government that the production of this commodity in the Kangra district in 1956 amounted to 2.14 million lb as compared with 1.6 million lb in 1955. In Himachal Pradesh the production was 236,000 lb in 1956 as against 291,000 lb in 1955.

Trade Missions and Promotion

A trade delegation from the Union of **Burma** visited India to study the development of the textile industry in that country. The mission was composed of directors of the Union of Burma Joint-Venture Corporations which were established with a view to making available to Burma various commodities at reasonable prices.

A 14-man industrial delegation from **India** visited the United States, the United Kingdom, France, western Germany, Poland and Czechoslovakia on a two and half month tour. The mission was sponsored by the Federation of Indian Chambers of Commerce. Upon its return it is expected to apprise the Government of India of the outlook in regard to export trade and import of capital goods from these countries. Individual members of the delegation also explored possibilities of securing collaboration in specific industrial ventures in India and obtaining machinery on a deferred payment basis. The Government of **India** has authorized the establishment of a ninth Export Promotion Council; the latest one is for the export of shellac. Its functions include market research, quality control, sponsoring of trade missions, participation in fairs and exhibitions, investigation of complaints and other related activities. The Shellac Export Promotion Council's office is located at Bombay. Information can also be obtained from the Chairman, care of the Director-General of Commercial Intelligence and Statics, 1 Council House Street, Calcutta 1, India.

A three-man trade mission from **Indonesia** visited Australia for four weeks in September 1957 to explore the possibility of increasing trade between the two countries and to negotiate a trade agreement. It is hoped to accelerate Indonesian exports of tea, rubber, coffee, sugar, kapok, fibre and timber to Australia in exchange for Australian flour and ships.

A 63-member **Malayan** industrial and trade mission arrived in Taiwan. The mission discussed technical and transportation matters with the Government with a view to expanding trade between these countries. Imports into Malaya from Taiwan consist mainly of sugar and tea, while export to Taiwan is chiefly rubber. The delegation expressed the view that piece goods, electric fans, fluorescent lamps, plywood, bagasse board and camphor could be exported by Taiwan to Singapore and the Federation of Malaya.

Handicraft

The Government of **India** has approved plans for the setting up of new training centres for handicrafts with a view to improving designs and providing marketing facilities. More than Rs 1.36 million have been sanctioned as loans and grants for

the implementation of these schemes. A centre will be established in Dharwar to offer training in carpet weaving and embroidery and in making bamboo articles, and a grant of Rs 54,000 has been given to the Mysore Government for this centre. For maintaining design centres at Bombay, Bangalore, Calcutta and Delhi, grants amounting to more than Rs 400,000 have been approved. Five design centres, four of which have been established by the All-India Handicrafts Board and the other by the Government of Uttar Pradesh, are to be continued for the present fiscal year and the Board is also to maintain the existing five pilot training centres. These centres are for the training of women in embroidery, for revival of traditional designs in silk and cotton saris and wall and pot paintings, and the manufacture of Indian musical instruments and for the pineapple fibre industry.

A team of experts from the United States arrived in Saigon, southern Viet-Nam to assist in the development of handicraft industries. Aided by the United States International Co-operation Administration the programme aims at improving the designing and styling of products for immediate export to the United States of America. The main industries that will be promoted include grass woven matting, lacquer ware, ceramic cooking and serving utensils, soft textiles, palm leaf, bamboo and straw hats, temple ornaments and lamp bases. For the year 1957 the National Investment Funds of the Republic of Viet-Nam made piastres 330 million available for loans to all branches of industrial and trade activities in southern Viet-Nam, 140 million piastres to the textile industry, 40 million piastres and 60 million piastres to the sugar and paper industries, 30 million piastres for handicraft, 10 million piastres for agriculture and 50 million piastres to co-operatives and handicraft centres for the purchase of raw materials.

Shipping

The Government of Ceylon is planning to convert Trincomalee harbour into a commercial port as soon as possible in order to relieve the congestion at the port of Colombo. Plans are being carried out in Taiwan for the construction of sixteen new vessels totalling 119,000 tons. Among them are a freighter of 14,200 tons, a tanker of 19,300 tons and another freighter of 2,500 tons. The target for the next four years is 300,000 tons of new ships.

A programme for acquiring more shipping tonnage is being studied by the Government of India. In order to finance the scheme a revolving shipping development fund is planned to be set up, from which loans may be granted to both governmental and private shipping firms for the purchase of construction of new ships. It is proposed that initially the fund may be of the order of Rs 100 million to Rs 120 million with a similar amount added each year for the next four years to raise the amount to Rs 500 million required for acquiring 200,000 tons of extra shipping by 1961. So far orders have been placed for thirteen vessels with foreign shipyards and fifteen with the Hindustan Shipping Co., in addition to the four second-hand vessels already purchased, making an aggregate tonnage of 181,000.

The Japan-Philippine Freight Conference announced that, beginning 24 August 1957, a temporary surcharge of US\$2.00 per ton would be levied on all cargoes from Japan to the Philippines. Pier congestions, among others, were said to be the reason for the surcharge. A 10 per cent general increase in freight rates was levied by the Japan-Latin American Eastbound Freight Conference, effective from 1 September 1957.

Construction of inter-island passenger-cargo ships will be started soon in the Philippines. Seven ships at a cost of P2.5 million each will be built and are to be delivered to four local shipping operators by December 1958. Each vessel will have a speed of 15 knots and a capacity for 500 passengers.

Cargoes can be shipped on through bills of lading between any place in the United States and any ports of entry in Thailand or Laos. This new and convenient service is the result of an agreement reached between Express Transit Organization of Thailand and the Railway Express Agency of the United States. Under the new arrangement cargoes can be handled on one single bill of lading and with one single payment of freight charges, even if cargoes are shipped to inland cities of Thailand and Laotian ports of entry of Thadua, Suwannakhet, Takek and Wangtao.

The Port Authority of Thailand has erected a new storage building of 700' x 60' and open space accommodation of the same dimension in the port of Bangkok for much needed space in clearing cargoes as well as for storage of cargoes coming into Bangkok and destined for Laos. Accommodation in the building has been made for Laotian officials so that they may assist in facilitating the transportation of cargoes to Laos.

Standardization

The Department of Standards, Union of Burma Applied Research Institute at Rangoon, Burma, has become a new member of the International Organization for Standardization (ISO). On 1 April 1958 the Government of India will start to standardise weights and measures throughout the country with the adoption of the metric system. The government has provided a transitional period of ten years for this plan to be fulfilled. It is hoped that by 1966 or earlier the metric system will be fully established in all branches of trade and industry.

Following the ruling by the Government of Japan in April 1957 that no inferior pearls would be permitted to be shipped abroad, the price of pearls in May 1957 immediately rose to US\$3.39 for one momme (about 3.75 grammes) as compared to US\$1.73 in January of this year. The Japan Pearl Export Association has decided to burn on 1 October 1957 in Tokyo about 4,000 lb of inferior pearls. In Shima district, the most important centre of pearl cultivation in Japan, several hundred pounds of inferior pearls were thrown into the sea.

At a meeting of manufacturers called by the Philippine Chamber of Industries and the Philippine Standards Association, manufacturers of nails, bolts and rivets have decided to standardize their products. Draft specifications based on standards established by the American Society for Testing Materials are under study.

Trade Fairs

The Japan International Trade Fair to be held in Osaka, from 12 to 27 April 1958, announced that applications from western Germany and the United States have already been received by the authorities, and 600 booths have been booked by Japanese exhibitors.

The Government of the Republic of Korea has reserved space for their exhibits at the Seventh Washington State International Trade Fair to be held from 11-20 April 1958 at Seattle, Washington, USA. The south Korean exhibits will include lacquer wares, brass wares, bamboo wares, dolls, fabrics, glass-ware, ceramics, rubber shoes, scrolls, mats, piston rings, samples of tungsten and copper.

The exhibits from the Philippines for the 1958 Brussels Universal Exposition will be carried by a Philippine navy ship which will also serve as a floating exposition of Philippine products on its way to Brussels. The boat might call at Hongkong, Saigon, Bangkok, Singapore, Calcutta, Colombo, Bombay, Karachi, Aden, Port Said, Athens, Rome, Barcelona, Lisbon and Brussels. The 1957 Philippine National Exposition is being held in Manila for sixty days beginning from 30 November 1957. This is an undertaking of Philippine businessmen. An area of fifty thousand square metres has been reserved for foreign exhibits. The Philippine Government has agreed to allow the entry of goods for exhibition free of duties, taxes and fees, unless such goods are sold locally, in which case the corresponding duties will have to be paid by the exhibitors. Re-export of all exhibits to countries of origin and remittance abroad of all proceeds of sales of goods brought in for the exposition are permitted. Members of official delegations may be granted temporary stay in the Philippines not exceeding sixty days after the official opening of the exhibition. Foreign exhibitors can enter the country without paying alien head tax, registration fees or other fees required by the Government.

A national fair is being planned by the Government of the Republic of Viet-Nam to be held in Saigon from mid-October through mid-December 1957 to be participated in by both government and private agencies. Exhibits will consist of achievements and plans for the next five years with particular emphasis on the economic field. A number of foreign countries having representatives in southern Viet-Nam have also indicated their intention to participate. The fair is scheduled to be opened two weeks after the meeting of the Colombo Plan Consultative Committee in Saigon.

HONGKONG NOTES AND REPORTS

Ten Years of Governorship

Addressing Legislative Council for the last time before his retirement, His Excellency the Governor Sir Alexander Grantham gave last week members a brief review of major achievements during his ten-years of Governorship. Following is an extract of the Governor's review: The ten years since I first presided at this Council on the 31st July 1947 have been tremendous years in the life of Hongkong. There was the rehabilitation, the reparation of the damage of the war and the Japanese occupation. We should compare Hongkong of today with that of 1941. The difference is remarkable. Consider the buildings, the schools, the hospitals, the skyscrapers of office blocks and domestic flats, Victoria Park, North Point Housing Estate, Tai Lam Reservoir, the development in the New Territories, the factories—whose output today counts for nearly one-third of our exports. Much of all this has been done since 1951, and this is the more remarkable because during this time we were being flooded out with refugees, whilst simultaneously our trade was being penalised as a result of the United Nations' and United States' embargoes on trade with China. How has this been done and who has done it? The people of Hongkong. Their peculiar genius is their industry, intelligence and ingenuity. And, besides this, they are realists. There is an absence of humbug about them and they are imbued with the spirit of co-operation. Furthermore, it has always been the tradition of Hongkong to let the genius of its people work to their own advantage, and hence to the advantage of the community generally, without their initiative being frustrated by an excess of state planning.

Nonetheless, more remains to be done. The airport is not completed. The new Kowloon Hospital has not yet been physically started. The Kwong Wah Hospital has hardly got to the planning stage. More schools are needed. The City Hall has not been commenced. The list is indeed a formidable one. Planning will have to go on and on. I might mention the development of Tai Po, Gin Drinkers Bay, Junk Bay and Tide Cove: schemes which are shortly to be examined in detail with a view to the early implementation of one or more of them. These are within the realm of actualities and they will open up considerable areas. Still in the dream stage is the development of High Island which might well accommodate a satellite town of half a million people.

One of the characteristics of the people of Hongkong is their realism. They are not taken in by catchwords such as 'democracy'. Not that democracy is not a very fine thing. It is, but many people use it as a catchword, and make the mistake of regarding it as an end in itself, whereas it is only one of the means to an end; that end being individual freedom and liberty. And here in Hongkong, despite the fact that the constitution of this Council and Executive Council is not democratic, I venture to say—in the words of a noted American writer—that Hongkong is one of the most 'live and let-live' places in the world. Liberty and freedom are actualities. As regards this Council, it is sometimes stated that the Unofficial Members are stooges of the Government and, almost in the same breath, that the Government is but the mouthpiece of big business. These conflicting statements cannot both be true.

I have throughout my address used the word 'development' and not the word 'progress'. I am a bit chary of talking of progress, for it rather suggests the scientific progress that has brought us to the age of the H-bomb by which mankind can destroy itself. Nonetheless there has been progress in the way of social consciousness. By that I mean that the more well-to-do members of the community feel that they have a duty, and are prepared to do that duty, towards the under-privileged. Here too, although much has been accomplished, we have an almost limitless

task ahead of us, and nowhere is it more formidable than in the refugee problem. We have received praise and commendation from all over the world for what we have done in the name and cause of humanity, and high sounding resolutions have been passed. But it has, with the exception of the voluntary agencies who have done a magnificent job, been entirely a matter of words and not deeds. Practical help we have not received, not even from Her Majesty's Government. One of the reasons put forward by Her Majesty's Government for not helping us is that we are financially well enough off to carry the burden. It is true that so far we have borne the burden and have not gone bankrupt in the process. If we had not spent more than \$300 millions on the refugees, would we have such an inadequacy of schools for example, or of hospitals with a ratio of beds to population only one quarter of that in the United Kingdom? Are we to be expected to continue to shoulder the burden alone, at the cost of our social services and other amenities dropping further and further behind those in other countries? I leave the question unanswered, for the answer is not to be found in Hongkong.

The past decade has presented one challenge after another, which, without the co-operation that has existed between all sections of the community, we should not have met as well as we have. As to Hongkong's future, I am full of confidence. The Colony is fortunate in having as its new Governor Sir Robert Black, who knows and is already well known to Hongkong.

Commercial Radio Station

Government has accepted the tender submitted by Mr. George Ho for the exclusive right to provide a commercial broadcasting service in Hongkong, in return for an annual royalty payment of 12½ per cent of the net profits. Tenders for commercial broadcasting were first invited in March 1957, applicants being given until June 14 to submit their tenders. The original notice calling for tenders asked for a detailed description of the scheme proposed, including a description of the programme hours and languages to be used, the programme content and policy, and all possible technical and financial details of the station. It was in the light of these and other relevant considerations that Government decided that of the four tenders received, Mr. Ho's tender was best likely to serve the public interest. A Government spokesman said that some time must still elapse before the statutory licence for the new station can be issued, since Mr. Ho will first require time to form a limited liability company, to be known as The Hongkong Commercial Broadcasting Company, in whose name the licence will be issued.

"Chefoo"

The Taikoo Dockyard and Engineering Company last week launched their 416th ship, the 6,800 ton Chefoo of the China Navigation Company. Mr. R. B. Bell, manager of Taikoo Dockyard, in an address at the reception held immediately after the launching said, "The Chefoo is the fourth of this Class of vessel built for the China Navigation Company. This company has honoured us with the building of 38 vessels, but most of them were much different from the Chefoo. Looking over the list of ships built by us, it is amazing to note the variety of types on the China Navigation Company's list. There were towboats and lighters, special small shallow draught river craft for the Upper Yangtze, bigger ships for the middle Yangtze, and large, lower-river steamers for the Hankow-Shanghai service. There was a special, fast passenger vessel for the Shanghai-Tientsin service, coasters for the Bangkok run, coasters for the Singapore run, specially designed coolie carriers for the Amoy-Swallow-Singapore service, not to mention special river steamers for the Canton service. In most cases the machinery installations were made here in

the Dockyard and they ranged from the Scotch boiler and old-fashioned, steam-reciprocating engine, the Brown-Curtis turbine to the present Taikoo-Doxford diesel machinery, which is being made in our workshops to-day."

The first Chefoo was a vessel built at Scott's in Greenock in 1876 of 1,087 tons and dimensions 232' x 27' x 22'. She was later sold, but the records do not disclose in which year.

Crown Lands & Survey Report

A draft plan of potential housing areas has been prepared by the Crown Lands and Surveys Office, Public Works Dept., for the Special Committee on Housing, according to the Director of Public Works. For the third quarter of 1957, three new layout plans were also prepared. A draft outline development plan of Chai Wan and an amended draft outline development plan of North Point were exhibited to the public. Negotiations were undertaken for the surrender of roads and lanes on re-development of lots and for land required for road improvements and other public purposes. Valuations for estate duty purposes totalled \$8,356,970.

Nineteen lots of Crown Land were sold by public auction during the quarter, the total premia realised amounting to

\$9,848,000. These lots included 16 at Kun Tong, one in Kowloon for industrial purposes and two in Hongkong for residential purposes. Eighteen lots of Crown land were sold by private treaty; 14 of the lots being in connection with housing schemes for non-expatriate Government servants. The total premia realised from the 18 sales amounted to \$1,937,651. Four lots of Crown Land were granted free of premium by order of the Governor. Fifty-eight Crown Leases were renewed. Extension of time for completion of building covenant was granted in respect of 21 lots, fines being imposed in 15 cases. A total of 137 new permits, deriving an annual revenue of \$79,000, were issued for temporary occupation of Crown Land.

Routine survey control continued. A further eight miles of precise levelling between Sha Tin and Taipo was completed on the mainland circuit. Three minor traverses were laid down to provide detail survey control. Revenue survey output was maintained and 70 sets of lease plans and 78 sets of surrender plans were sent to the Registrar General. Eighty lots were set out for building purposes and the boundaries of six old lots were re-established. Drawing work during the period included the tracing of 53 sets of lease plans, the tracing of revised sheets, compilations, maintenance of record plans and the preparation of new maps.

BOOK REVIEWS

INDIA AND PEKING'S COMMUNISM

John H. Kautsky: *Moscow and the Communist Party of India* (Technological Press and John Wiley and Sons, New York, 1956).

M. R. Masani: *The Communist Party of India* (Macmillan, New York, 1954).

Nehru once called the Indian Communist Party "the most stupid among the Communist parties of the world." When the party seemed about to fall apart in 1949, one of its stalwarts, P. C. Joshi, cried out that "victory in China is the glory of world communism; the collapse of the Indian Communist its shame." And Minoo Masani's book, with its recital of the CPI's misfortunes, inspired a reviewer in *The Times of India* to exclaim: "What a faint shadow of the great Communist parties of the world is the Communist Party of India!"

To date the record is indeed a sorry one, but in the volcanic Indian political landscape, what of the future? Unforeseen events within India could conceivably bring to the fore new Communist leadership confronted with quite new opportunities. Therefore, for all its aspects of futility, the record of Indian Communist experience merits the most careful consideration. Three years ago Masani published his pioneer chronicle of the party's history from its very beginning. In 1956 John Kautsky examined the Indian Communist line within a more limited time span, 1945 to 1954, as a case study in the nature of international Communist relationships. We are fortunate in having two such excellent books, complementing each other as they do, on this most vital subject.

Kautsky traces with great acuity the rise of a distinctly new Communist strategy for the economically less developed regions. He points to the internal struggle within the CPI as reflections of a larger struggle within the international Communist movement. On the one hand there were the familiar strategies of the extreme left and the extreme right. Against these "orthodox" strategies was ranged the formidable challenge of the new "neo-Maoism", which was to become the operative strategy of Indian communism and, finally, of Communist parties throughout the less developed areas of the world.

In Kautsky's definition, neo-Maoism calls for Communist parties to make the same multi-class national appeal as did the Chinese Communists—but without necessarily imitating the pattern of Mao's Red Army revolt. The new strategy holds that armed struggle may not be necessary in other economically less developed areas; the local situation would dictate in each instance. In any case, Kautsky maintains, violence has little to do with the distinction between neo-Maoism and either the left strategy, which considers capitalism its undeviating enemy, or the right strategy, which espouses the policy of the "united front from above" with the leaders of other parties. The distinguishing element in neo-Maoism is "its direct appeal 'from below,' that is, not through bourgeois parties, to sections of the bourgeoisie."

With a combination of classes thus enabled to join together against the common foreign enemy, Western imperialism, the neo-Maoist strategy is clearly suited to serve the interests of Soviet foreign policy. "In brief," declares Kautsky, "the cold war has taken the place of the class struggle." Neo-Maoism thus distorts Marxism almost beyond recognition. At the same time, it is a logical consequence of the Leninist theory that imperialism is a phenomenon peculiar to a certain stage of capitalism, a theory which, as Benjamin Schwartz earlier remarked, became "the binding link between Marxism-Leninism and Asiatic resentments."

In his first chapter Kautsky schematically classifies the salient features of each Communist strategy. He cites as a basic text Mao's report to the Central Committee of the Chinese Communist Party in December 1947, in which Mao said: "Wherever the state power of the New Democracy reaches, these classes (the petty and middle bourgeoisie) must be firmly and unhesitatingly protected. All that the New Democratic Revolution aims to eliminate are feudalism and monopoly capitalism, the landlord class and the bureaucratic bourgeoisie, not capitalism in general nor the petty or middle bourgeoisie."

As one of the milestones leading to the final triumph of the neo-Maoist strategy in India, Kautsky dwells first upon the 1947 sessions of the USSR Academy of Sciences. At that point the left and neo-Maoist strategies co-existed in Moscow,

and the Soviet Union was so pre-occupied with emerging post-war European problems that it was "apparently not sufficiently interested in India to bother to formulate . . . a party line for the Indian Communists." For their part, the Indian Communists were still swearing their love for Nehru as a "progressive" when Zhdanov made his report to the Cominform meeting in September 1947, with its classic statement of the two-camp doctrine and its sharp break with the right strategy.

Although it was widely assumed that the Zhdanov line heralded a return to the left strategy, Kautsky points out that for all his anti-imperialist verbiage, Zhdanov was never expressly anti-bourgeois; in fact he seems to have deliberately opened the door to neo-Maoism. "Men steeped in the 'left' tradition of communism and eager to return to it," he writes, could nonetheless "easily overlook (Zhdanov's) essential neo-Maoist message in the mass of radical language." Balchand Ranadive, then chafing under the leadership of P.C. Joshi, was such a Communist. The militant pronouncements at the Communist-front Southeast Asia Youth Conference in Calcutta in February, 1948, were enough to persuade Ranadive and his allies in the CPI that the Zhdanov line did indeed envisage a total swing back to the Left strategy in India. The Second CPI Congress, immediately following the Youth Conference, ratified the switch to the new line, ousted Joshi, and confirmed Ranadive's rise to power.

The insurrectionist tactics which followed were not, necessarily, however, what Moscow had in mind. During the June, 1949, session of the USSR Academy of Sciences the Moscow line swung over finally to neo-Maoism. Soviet Indologist V. V. Balabushevich, last holdout against the new line, conceded that "individual groupings" in the ranks of local capitalists can conceivably "become fellow travelers with the democratic forces in their struggle against imperialism and its allies."

But while Moscow was moving in this direction, the Indian Communists under Ranadive's leadership continued to base their actions on the left assumption that the driving force of the revolution, the urban and rural proletariat, must carry on unrelenting violent struggle in which even the poor and middle peasants and the petty bourgeoisie could be regarded as vacillating allies at best. Ranadive waged bitter ideological warfare in the party press against the Andhra Communist Committee, leading neo-Maoists within the CPI. Indeed, supremely confident, he proceeded to strike out against Mao himself, charging him with "Horrible formulations . . . such that no Communist party can accept . . . in contradiction to the world understanding of the Communist parties."

Although Ranadive's tactics met with growing dissatisfaction among many of the top leaders of the CPI, they also felt themselves increasingly impotent to unseat him. On January 13, 1950, as a desperate last resort, Joshi published his "Letter to Foreign Comrades." "International communism must intervene," he pleaded in an open appeal for Soviet support. "It is you from abroad who have to act and act quickly." Intervention in the form of an editorial in the Cominform journal followed promptly (January 27). The article stated that "the task of the Indian Communists . . . is to unite all classes, parties, groups and organizations willing to defend the national independence and freedom of India."

The CPI membership took the hint. Ranadive made way for Rajeshwar Rao of Andhra, and the Central Committee's new program—"a thoroughly neo-Maoist document," writes Kautsky—said flatly in April 1951 that the CPI seeks only to build "a coalition of all democratic anti-feudal and anti-imperialist forces." When Rao balked on some of the finer points of the new line, he was replaced by Ajoy K. Ghosh, who remains the CPI General Secretary to this day.

Kautsky presents these convolutions of Indian communism with painstaking precision, assuring his work a place as a major reference source in the field of Indian and international communism. His impressive documentation utilizes German primary sources, English translations of Soviet writings, and English-language Indian Communist documents available in the United States. It is inevitable, however, and it is no reflection upon him, that a job of library research would lack insights that field research alone could have provided. At times Kautsky speaks of Indian Communists and Indian communism with a certain wooden unreality. At the outset he states that: ". . . one of the assumptions on which this study is based is that in the last analysis shifts in a Communist Party line are due to corresponding earlier shifts in Moscow and perhaps Peking, rather than to the interpretation of Marxism and Leninism by local Communist leaders or the internal conditions of a given country."

While this may be a valid assumption in and of itself, it is a risky one to carry too far, for it can unnecessarily strait-jacket the analyst. This writer doubts that it is wise to downgrade "internal conditions" so unreservedly in the name of methodology. To consider political developments within a doctrinal vacuum in the culturally distinctive Indian setting is especially inhibiting.

For example, without going behind the fact, Kautsky explains his choice of the CPI for his case study partly in terms of the English-language medium of its publications. "No other important Asian Communist Party," he writes, "draws up all its major documents in English." But English is the official language of Indian communism, as of India itself, because it is the only language through which disparate linguistic territories can carry on a common program. The weakness of the central Communist organization in linguistically segmented India is a fact of basic importance, yet Kautsky's readers might well assume that effectively centralized and unified Communist machinery does exist in India.

Kautsky is at his original best when he traces parallel and simultaneous developments in India, the Soviet Union and China. He gives ample support for his conclusion that Moscow's formulations have resulted from opportunistic concentration, as he puts it, "at one time on one particular area of the world, where a given strategy may be appropriate, and from lack of interest in and ignorance of other areas where the Communist parties are simply not expected to follow the general line."

If long distance handicaps Kautsky's work, M. R. Masani's history of the Indian Communist Party may have been written from a vantage point too close to the subject. Masani was a founder of the Indian Socialist Party and speaks of Indian communism from long first-hand contact. Yet he attempted to prepare a scholarly historical work rather than a personal memoir, and the result seems to fall somewhere in between. While Mr. Masani's is a valuable and easily digested book, it is likely to be replaced in time by more comprehensive scholarly works, and one can only hope that Mr. Masani will expand upon this first work with more extensive personalized reminiscences of his years as a political activist.

In chronological progression Masani recounts seven major phases in Indian Communist history—the founding period up to 1929; "The Wilderness" from 1930-35; the prewar united front; World War II; the drift into Ranadive insurrectionism; the return to non-violent tactics; and the present parliamentary phase dating from the adoption of the 1951 Program prior to India's first general election. Masani's occasionally loose and somewhat polemical development of this chronology suffers by comparison with Kautsky's rigorously precise delineations of doctrinal nuances.

In his solid early chapters Masani draws upon a heretofore unpublished resume of Communist activities in India through 1933, prepared for the confidential use of the British regime's Home Ministry in India and obtained in Masani's Socialist days. These are sure to be the enduring definitive chapters. As for the remainder of Masani's narrative, it is notable for the effective manner in which Communist development is related to modern Indian history in general. Masani achieves a perspective absent from Kautsky's clinical dissection in which the Indian Communist line is almost totally disembodied from its environment.

At the same time Kautsky's probing analysis is more impressive than Masani's comparatively cursory recitation of Indian Communist history. Masani maintains in the closing pages of the book that the "literate middle class man" is Indian communism's basic raw material, but this compelling theme is offered almost as an after-thought.

Whereas Kautsky considers the transmission of directives from Moscow to local Communist parties largely in terms of open doctrinal pronouncements, Masani speaks instead of emissaries and intermediaries, emphasizing especially the semi-imperialist relationship between British Communist oracle Palme Dutt and the Indian Communists. As early as 1924, says Masani flatly, the Communist Party of Great Britain "tended to monopolize India as its own province." Palme Dutt became "the Pundit to lay down the line to the Indian party, a role he still plays." In the early pages of the book we learn of the aliases and codes which were the stock in trade of Dutt's contacts with the Indian party in the twenties; later of Indians "who managed to visit England under various pretexts, such as health or business," to get the word from Dutt. This is a legitimate emphasis on a significant aspect of Indian Communist relations with Moscow, and it typifies the vivid sense of the firsthand which is missing from Kautsky's stern scholarship.

THE END OF STALIN

Boris Meissner: *Das Ende des Stalin-Mythos* (The End of the Stalin Myth). (Institute for European Politics and Economics, Frankfurt, 1956).

The dramatic chain of events set off by the decisions of the Twentieth Congress of the Soviet CP last February may in retrospect make that gathering one of the historic milestones of Communist development. Thus the German Society for Foreign Policy and its research institute in Bonn have performed a real service for German-speaking analysts in publishing under one cover all important documentary materials relevant to the Congress. The editor, a German jurist now attached to the Federal Republic's Embassy in Moscow, has had previous experience in compiling collections of this sort, among them a volume of treaty texts and public documents pertaining to the Moscow eastern pact system.

In the present volume major speeches at the Congress by Khrushchev, Shepilov, Suslov, Mikoyan and Zhukov are translated in their entirety from the Communist press; a speech by Malenkov appears in adequate excerpt. Khrushchev's famous attack on Stalin, delivered at a secret session of the Congress, is translated from the English text as it first appeared in *The New York Times*. Lenin's testament of 1922, cited in discussion of the Stalin myth, is also printed as an annex. Other documents include an excerpt from the Belgrade party paper *Borba*, reflecting the latter-day ideological rapprochement between the Soviet and Yugoslav wings of communism, and a reproduction of complete membership lists for all higher party organs of the Soviet Union and its constituent republics as of February 1956.

As a selective compilation of documents, the volume is thus to be recommended; however, a few reservations must

be stated concerning the introductory comment by the editor. Mr. Meissner ranges over a wide scope of material with customary zeal. But the critical reader will note that some of his far-reaching interpretations of Congress documents could hardly come from the mind of a schooled historian. The author is inclined to give a political meaning to every development at the Congress, even those moves for which there were other obvious and rational motives. Furthermore he believes that he can say of any party functionary, from the top on down through lower ranks, whether he is a Khrushchev or a Malenkov man, a supporter of this or that tactical nuance of party policy. Very often these assertions are based on extraneous biographical information. Whoever served under Malenkov at some time in the past must, in Meissner's opinion, be considered a Malenkov adherent in all present-day situations. Whoever worked with Khrushchev twenty years ago in the Ukraine still must be his confidante today.

Such is often the case but certainly not always. Russians, Ukrainians or Georgians are also people who can change their opinions, especially on isolated issues. Some may have gotten into offices whose chiefs they by no means admired unreservedly, or been forced to perform functions which did not correspond with their personal opinions. Meissner is too cautious to make the mistake of certain other German authors who treat the entire domestic and foreign policy of the Soviet Union as a constant battle between various leader cliques and ideological trends. But occasionally he does fall into this type of speculation, making assertions about group factions for which neither his ample material on personal history nor other available information offers sufficient data.

A second tendency which occasionally clouds Meissner's picture of events in Moscow is his over-estimate of purely ideological motives in the actions of present-day Soviet politicians. Although for a Lenin or a Bukharin theoretical insight may have been a decisive factor in practical political decisions, such motives surely play a much lesser role for a Bulganin, a Malenkov or a Mikoyan. No one will doubt that for Stalin's successors, too, profession of the Communist dogma is a matter of course. But very often they use theoretical arguments merely to justify *ex post facto* their political actions, concealing their real motives rather than clarifying them. These real motives are of a purely pragmatic, practical nature to a much greater degree than in the early period of Leninism. The profession of communism has for today's Soviet ministers no greater significance than the profession of Islam for a Turkish vizier of the nineteenth century, or membership in a Christian church for a minister in the German government of Bismarck's time. Whoever has had conversations with Communist believers of the cynicism of a Vishinsky, the business reports of a Bulganin or a Malenkov, must be aware of the weakening of the religious impulses of Marxist faith. The return from Stalin to Lenin effected at the Twentieth Congress did not represent a renewal of the old faith; it was simply a means to rationalize the abandonment of Stalinist dogma.

Meissner views the present leadership of the Soviet Union as a two-man rule by Khrushchev and Bulganin, who together control the party and state apparatus and who must maintain themselves against both a more reformist wing, represented by Malenkov, and another group, which wants to restore Stalinism led by Molotov. This view certainly has credible facets, but it probably simplifies the situation too greatly. Certain events have made it clear that Khrushchev and Bulganin cannot by any means unite the entire political power of their broad empire in their persons—that on the contrary, other members of the party Presidium who are less in the foreground remain strongly involved in the "collective leadership" of Soviet policy. The emergence of Suslov (chief of the foreign bureau of the

party and former secretary of the Cominform office) in the question of relations with Yugoslavia, the delegation of Mikoyan for important foreign assignments from Helsingfors to Peking, and the participation of Kaganovich and Pervukhin (and to a smaller degree Saburov) in important decisions on economic policy make the impression of a simple duumvirate appear too hasty. Of the two supposed bosses, by the way, Khrushchev is by far the more active, and it was he who delivered the most important speeches. But it is still an open question whether the member of the party Presidium who makes the most speeches and trips and who is the most ready to seize the initiative is also necessarily the only man in authority. There is no proof that he plays the decisive role either in conference with his colleagues or in the national consciousness.

Meissner correctly views the destruction of the Stalin myth as the local point of the 1956 Congress. To bring about a

change in prevailing attitudes toward the Stalinist heritage was obviously the real purpose of the whole affair. But in his richly documented exposition he does not show clearly enough that the Congress was merely the conclusion of a development which began in 1953, not just with the death of Stalin but with the deposition of Beria and his police apparatus several months later. Though Soviet ideology stresses the transition from the leader cult to collective leadership as the most important change in the post-Stalin period, one should not forget concurrent diminution of police influence in the highest authorities of party and state, a factor which was at least equally significant and which probably will involve greater problems in the long run. There was little talk on this subject at the Congress, but for the Soviet peoples and the satellite nations it represents the most important change in internal power relationships of recent years.

FINANCE & COMMERCE

MOTOR CARS AND SLUMP

Hongkong motor car dealers cannot report, as much as they want to, flourishing business as buyers' resistance has been developing a great deal and traffic congestion gets worse. The used car market is even more congested than the Colony's roads. Buying power of the people at large is not adequate to finance larger sales of new automobiles, and the elite already is indulging in all the luxuries. The China market is the great though a very distant hope. If one could only sell to China part of the depressingly large used car stock. . . . But the Peking import control, having to wisely utilise the scanty exchange earnings, cannot afford to permit the purchase of anything 'unessential', and clearly passenger motor cars are of that category. Manufacturers of almost all countries with well-known auto names are competing in Hongkong not so much as to earn some profit from the anyway small sales in this Colony but to have displayed to an international public their latest makes. British cars benefit by being exempt from paying duty (which is called by another name) while all other cars pay 15% of the import value. German, Italian, French and, of course, American cars are seen all over the Colony, with German makes having scored heavily in recent years. Still, the majority of wealthy Chinese, and those who would try to pretend to rank among them, prefer American big, showy, latest production models. The American auto market has however been under growing pressure and local car buyers, and economic observers generally, would do well to give some thought to the motor car, and also aircraft, industry in the US as it appears to a, perhaps, somewhat nervous economist 'over there'.

* * *

The automobile dealers in America are piling up wrath against the day of wrath. Desperate to move their stock of 1957 cars off their show floors in order to prepare for the sale of 1958 models, they are giving fantastically high trade-in allowances on used cars. Of course, this is a measure of self-preservation on their part, but they will find it but a brief respite. Having to choose between cutting new car prices or giving artificially high trade-in prices, the dealers naturally choose the latter. By cutting new car prices it is true that they would manage to move a few more new cars. However, the immediate effect of a reduction in new car

prices would be a proportional scale-down in used car prices, and most of the dealers' profits are in the form of used cars. Hence, they prefer granting artificially high trade-in allowances as a means of unloading more new cars.

The reason for saying that they are piling up wrath against the day of wrath is that by this measure they are adding to their profits further in the form of frozen assets in used cars. When the 1958 new car market hits its low in the Summer of 1958, the manufacturers will force a reduction in new car prices in order to stay in business for 1959. When this happens, the prices of these huge accumulation of used cars will drop dizzily. The probability is that the drop will be sufficient to wipe out the dealer's equity in them and his total accumulated profit. At this point the finance companies will move in to protect their interests and force the sale of used cars. This will force a great many very recent model used cars onto the market at very low prices to compete with the already hard pressed new car sales. How this battle of the Titans will come out nobody knows, but that many dealers will be annihilated in the first shock of battle is almost a foregone conclusion.

These motor car dealers are the elite of the petit bourgeoisie. As concessionaires of the motor car market they have the largest single retail item in the whole American economy, and furthermore, one that, socially, psychologically, and economically is the talisman of the much advertised American prosperity and "American way of life". In addition, they are most articulate members of the American community. They and their staffs of salesmen form the backbone of the great American high-pressure sales system. In the course of their business these men have become highly expert professional propagandists of prosperity and contribute very heavily to the total process of self-hypnosis which the American public so enjoys working on itself.

Therefore, when the wolves get them, and these bell-wethers shatter the air with their death screams, the rest of the sheep will go mad with fright. The politicians and the Government are extremely sensitive to this very problem. Last Spring several of the biggest dealers in the country were unable to dispose of their full quota of new cars. The manufacturers prepared to cancel their franchises and turn them over to new dealers. Faced with this threat the dealers had to agree to accept delivery of their full quota

of new cars. However, since they were not disposing of them that fast, a lot of them went broke. Immediately a group of very big politicians prepared a bill for Congress designed to forbid the manufacturers from either: (1) delivering cars to dealers and debiting their accounts when the dealers were not prepared to receive them; or (2) cancelling a dealer's franchise for failure to meet an agreed sales quota. Such a bill if made into law would probably be thrown out eventually by the Supreme Court. Nevertheless, by the mere preparation of it the politicians impressed the auto manufacturers with the seriousness of the situation to the extent that the manufacturers backed down on their "get tough" policy.

There are many who can see the disastrous consequences of having the retail auto dealers suffer heavy losses. The politicians would rather have disaster strike almost anywhere else on the whole social landscape than there. Retail auto sales and the people who sell them are in the very center of the public spotlight. Nevertheless, despite their frantic measures to shore them up, the whole scaffolding of the retail auto market is sagging dangerously and nothing short of a miracle can stave off its collapse past the Summer of 1958.

The next most sensitive spot is the aircraft industry. This is a great absorber of labor because it is so heavily military and military models are subject to such rapid and continuous changes in design that truly mass production methods can seldom be adopted. Furthermore, for the same reason this industry is a heavy employer of the higher types of technological and engineering labor power.

Behemoth bombers of the B-36 type are as obsolete as the dodo bird. Really fast jet bombers use no internal combustion engines whatsoever. So the piston engine, with its millions of man-hours of labor is gone. Furthermore, with bombers exceeding 2,000 mph, no human pilot could survive the manoeuvres he would have to perform to intercept such bombers at the speeds he would have to attain

to do so. Hence, fighter planes are also obsolete. This, of course, the Air Force will deny, but it is nevertheless true and is being reflected in curtailment of orders for fighter type planes. And then, to deal the coup de grace to the whole aircraft industry picture, a jet bomber capable of more than 2,000 mph is just one step short of being an intercontinental ballistic missile. This final step is both inevitable and imminent.

The propagandists, of course, assure us that the manufacture of intercontinental ballistic missiles will absorb the labor displaced from the aircraft industry. But, of course, it won't. The mere manufacture of engines and shells to house them did not make the aircraft industry the great absorber of labor that it has been. What has made it so has been the fantastically elaborate facilities that had to be installed to make these flying fortresses inhabitable by men. With both the need and the possibility of having men in them removed, the need for all this elaborate equipment is abolished.

A year ago the Wright Aeronautical Company had an engineering department of about 4800 persons. It is now down to 2700 and insiders look forward to its reduction to about 1500 by the end of the year. This will make a total reduction of engineering staff of about 67% in 18 months by one of the biggest aircraft engine firms in the United States.

There are prophets of doom who say that the American people sowed the wind, and there will be a whirlwind to be reaped. To the attuned ear the measured tread of irrevocable doom gets louder and closer by the hour, but the general populace have their eyes and ears synchronized to the television sets which give them a vicarious existence in a "never-never" land of pure phantasy where the hero always wins the heroine, the villain is always foiled, and everybody eventually gets married and lives happily ever after. Not only do they fail to see or hear the avalanche, they will turn upon and rend anyone who tries to force it upon their attention.

HK EXCHANGE MARKETS

Dec.	U.S.\$		Notes	Notes
	T.T. High	T.T. Low	High	Low
16	585½	585¼	583½	583¼
17	585½	584½	583½	582½
18	586½	585½	585½	584½
19	586½	586	586½	584½
20	586½	586	586½	585½
21	586½	586	586½	584½

D.D. rates: High 585½ Low 583.

Trading totals: T.T. US\$3,750,000; Notes cash US\$985,000, forward US\$3,270,000; D.D. US\$415,000. Trading in T.T. and Notes was active but fluctuation narrow. In the Notes market, China bought heavily. The local stock however was more than adequate to meet the demand; interest for change over therefore remained in favour of sellers and aggregated HK\$2.00 per US\$1,000. Positions taken by speculators averaged US\$ two million per day. The D.D. market was quiet.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.725—1.70, Japan 0.014375—0.01415, Malaya 1.876—1.873, South Vietnam 0.06802—0.06622, Laos 0.064, Cambodia 0.082,

Thailand 0.2777, India 1.07, Indonesia 0.136—0.1298. Sales: Pesos 340,000, Yen 73 million, Malayan \$290,000, Piastre 6 million, Kip 4 million, Rial 4 million, Baht 3 million, Indian Rupees 100,000 and Rupiahs 600,000. **Chinese Exchange:** People's Yuan notes quoted \$1.56—1.41 per Yuan. Taiwan Dollar notes quoted \$0.146—0.144 per Dollar, and remittances \$0.143—0.142.

Bank Notes: Highest and lowest rates per foreign currency unit in HK\$: England 15.60—15.40, Australia 12.50, New Zealand 14.10, Egypt 0.98, East Africa 14.50, South Africa 15.45, West Africa 13.50, Jamaica 13.50, Gibraltar 13.50, Malta 12.50, Cyprus 12.50, Fiji 10.00, India 1.175, Pakistan 0.79—0.78, Ceylon 0.93, Burma 0.55, Malaya 1.845—1.835, Canada 5.945—5.88, Cuba 5.00, Argentina 0.12, Brazil 0.06, Peru 0.26, Mexico 0.43, Philippines 1.74—1.72, Switzerland 1.35, West Germany 1.35, Italy 0.0092, Belgium 0.105, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.45, France 0.0115—0.0114, South Vietnam 0.07—0.0675, Laos 0.065—0.063, Cambodia 0.083—0.081, New Guinea 1.00, Indonesia 0.134—0.125, Thailand 0.281—0.279, Macao 1.00—0.995, Japan 0.014675—0.01445.

Gold Market

Dec.	High .945	Low .945	Macao .99
16	255½	255½	266¼ High
17	255½	255½	Low 265½
18	256	256½	
19	256½	255½	
20	256	256½	
21	256	255½	

Opening and closing prices were 255½/255½; highest and lowest, 256½/255½. The market was quiet with the approach of holidays. The Exchange paid a dividend of HK\$100 to members for the year 1957, and reported that business was very active during the past six months. Interest favoured sellers and aggregated \$1.10 per 10 taels of .945 fine. Tradings averaged 5,400 taels per day and totalled 32,400 taels for the week, in which 10,570 taels were cash dealings (2,270 taels listed and 8,300 taels arranged). Speculative positions averaged 11,500 taels per day. Imports from Macao amounted to 8,000 taels; a shipment of 52,000 fine ounces arrived there from abroad via HK during the week. Exports totalled 9,000 taels (6,000 taels to Singapore, 2,000 taels to Indonesia, and 1,000 taels to India). Differences paid for local and Macao .99 fine were HK\$12.70—12.40 and 11.70—11.60 respectively per tael of .945 fine.

Cross rates worked were US\$37.86—37.84 per fine ounce, and 40,000 fine ounces were contracted at 37.85 cif Macao. US double eagle old and new coins quoted \$262 and \$228 respectively per coin. English Sovereigns \$59 per coin, and Mexican gold coins \$274 per coin. **Silver Market:** 300 taels of bar silver traded at \$5.85 per tael and 500 dollar coins at \$3.69 per coin. Twenty-cent silver coins quoted \$2.85 per five coins.

HK SHARE MARKET

HK Banks, Union Insurances, Wheelocks, Providents, Lands, Star Ferries and Lights dipped to new 1957-lows last week because there were more

sellers than buyers. The market was sluggish chiefly due to the tight money here during the past few weeks. Turn-over last week did not even reach the \$1.5 million mark: Monday \$307,000, Tuesday \$302,000, Wednesday \$133,000, Thursday \$298,000, Friday \$307,000. However, selling pressure was not very strong and with the exception of Lands, other shares all recovered towards week-end.

Cement lost 60c last week after a steady recovery from \$22.50 during the past few weeks. Wharves, Docks, Textiles and Nanyangs managed to stay at a level well above 1957-lows but business was stagnant. The overall trend was bearish; many prices were attractively low but there were no buyers because money was expensive and tight.

Share	Dec. 13	Last Week's Rate		Closing	Up & Down	Dividend	Estimated Annual Yield (%)
		Highest	Lowest				
HK Bank	845	845 s	830	845 s	steady	\$50	5.92
Union Ins.	76	76.50 s	75	76.50 s	steady	\$3.40	4.44
Lombard	32 b	32.75	32.25 b	32.25 b	+25c	\$2	6.22
Wheelock	6.45	6.50	6.40	6.50	+5c	75c	11.54
HK Wharf	118 s	118 b	114 b	118 b	steady	\$6	5.08
HK Dock	51.50 s	51.50 n	51 s	51.50 s	steady	\$2	3.88
Provident	11.70 s	11.70	11.50	11.70	steady	\$1	8.55
HK Land	33 s	33	32.25	32.25	-75c	\$3.50	10.85
Realty	1.35	1.40 s	1.325	1.40 s	steady	15c	10.71
Hotel	14.70	14.80 b	14.60	14.80 b	+10c	\$1	6.76
Trams	22.70	22.80	22.40	22.60	-10c	\$1.70	7.52
Star Ferry	125 n	125 n	121 b	125 n	quiet	\$9	7.20
Yau-mat	98 s	95	94.50	95	-\$3	\$7.50	7.89
Light	17	17	16.80	17	steady	\$1.10	6.47
Electric	26.70	26.50	26.20	26.50	-20c	\$1.80	6.79
Telephone	25.50	25.30	25.10	25.30 b	-20c	\$1.50	5.93
Cement	27.30 s	26.80	26.70 s	26.70 s	-60c	\$4	14.98
Dairy Farm	16.20	16.20	15.80	15.80	-40c	\$1.63	10.32
Watson	11.70	11.90 s	11.60 b	11.60 b	-10c	\$1	8.62
Yangtze	5.35 n	—	—	5.35 n	quiet	65c	12.15
Allied Inv.	3.70 n	—	—	3.70 n	quiet	25c	6.76
HK & FE Inv.	9.80	9.65 b	9.70	9.65 b	+5c	80c	8.29
Amal. Rubber	1.375	1.35	1.325	1.35 s	-2½c	23c	17.04
Textile	4.55	4.60 s	4.50	4.50	-5c	50c	11.11
Nanyang	8.70	8.70 n	8.50 b	8.70 n	steady	\$1	11.49

SINGAPORE SHARES

Trading during the week ended December 13 was quiet. The rubber price followed a see-saw course as conflicting reports were received, but generally the trend was upwards until late in the week when an apparent easing of tension in Indonesia caused a sharp set-back to the week's opening level. Movement in the tin price was violent than of late, and a fall of 3½% over the week was recorded. The decline is attributed to the fact that all tin ore which is delivered to Malaya's smelters before mid-night on December 14th will not be set against the quota permitted under the Restriction Scheme, and, consequently, all ore possible is coming forward. Mine assessments are to be based on production over the last five years.

Industrials were firm until mid-week when they turned quiet and finally easier. Directors of Straits Times re-

commended a capitalisation issue of one free share for every share held. The shares improved from \$4.00 to \$4.17½ but then eased to \$4.10 with further sellers. Fraser & Neave moved from \$2.70 to \$2.75 before slipping to \$2.67½, and Uniteer Ords. had transactions up to \$1.35 but closed with sellers at \$1.30. Wearnes were steady throughout between \$3.17½ and \$3.22½ x.all. There was good enquiry for Malayan Cement Rights from 12½c. up to 16c. with further buyers at the close.

Small business was written in tin shares with only minor fluctuations, but this section also developed an easier trend at the close. Rantau eased from \$1.82½ to \$1.75, but Sungei Way held steady at \$1.32½. Petaling had exchanges up to \$2.57½ from \$2.45 at the opening, but closed with sellers at \$2.55. Sterling Tins were dull with transactions in Kamunting, Ayer Hitam and London Tin at 9/6d, 25/6d and

7/9d respectively. There was less activity in Meru than of late, with business from 2/- to 1/11d.

Local rubber shares responded to the higher commodity price but reacted towards the close. Allenby, however, eased from \$2.40 to \$2.27½ and then firmed to \$2.30. Mentakab improved from \$1.75 to \$1.80 and Radella from \$1.25 to \$1.30. Jinah improved from \$2.75 to \$3.10 with further buyers at this level. There was fair enquiry for Sterling Rubbers with business in Bruseh from 3/3d to 3/4½d, K.M.S. at 36/9d, Ledang Bahru from 3/7d to 3/6d and Sungei Batu at 40/3d. Lower Perak had exchanges at 1/10d, Narborough at 1/8d and Sungei Chinoah at 1/-.

Only a few transactions were recorded in the Loan section within current quotations.

TRADE REPORTS

Tight money here handicapped, to a certain extent, Hongkong's entrepot trade last week. The approach of the holidays and the closing of accounts for the year 1957 also curtailed the volume of business in the local commodity market. Retailers however enjoyed better local demand particularly shops which sell foodstuffs and gift items. Department stores selling winter wear did not have as much business as at this time last year probably due to the warm weather last week.

HK/China Trade—Imports of foodstuffs from China continued heavy although many dealers here had already experienced difficulty to unload the heavy supply during the past few weeks. China's purchases from here remained weak; orders from Canton and other Chinese ports covered only a few items of metals when prices here were slightly depressed by small-scale liquidation.

China's exports transhipped here included industrial chemicals to Thailand and grey cloth to UK. Canton is planning to compete with HK in marketing rubber and leather manufactures, glassware, stationery, electric torch and batteries, cotton textiles and other light industrial products in SE Asia.

HK/Japan Trade—With the exception of an export of 6,600 tons of iron ore, cargo movements between HK and Japan slowed down considerably last week. Orders from Japan covered only some scrap iron and a few items of produce; many transactions fell through because buying offers were too low to interest local dealers who failed also to obtain enough supply from China. Prospects of improvement in shipments to Japan dull although freight charges for cargo from here to Japan were reduced. In imports, dealers here curtailed the booking of cotton textiles, woollen goods, seafood, toys and sundries on account of the uncertain demand from SE Asia.

Supply of Japanese cotton cloth was still much too heavy in the local market. Meanwhile in Osaka, 16 major Japanese firms trading with HK agreed in principle to enforce a proportional quota system governing their cotton cloth exports to HK. The annual target will be 100 million yards subject to readjustment every quarter. This quota will be sub-divided into (a) exports to HK which will make up 60% of the total quantity and (b) shipments to Indonesia via HK, 40%. Details of this quota system will be submitted to the Trade Ministry early January and if approved, the quota will be applied retroactively from November 1 1957.

HK/UK Trade—Demand from UK for produce remained selective; most items enquired for were short stocked here. Purchases of HK manufactures steady particularly of rubber footwear, cotton textiles, plastics products, shirts, children's garments, torch, preserved ginger and slippers & sandals. Increased shipments of the last item to UK were blamed by British shoe makers for the decline in the price of imported footwear in Britain. There were however no fresh attacks on HK textile industry by British piecegoods manufacturers. UK importers recently bought large quantities of grey cloth from China while curtailing purchases from here.

HK/Europe Trade—Enquiries from Europe for produce and HK manufactures were not keen. Local dealers also slowed down the booking of replenishments from Europe. In the case of paper, indents were still higher than local market quotations in most cases. Metal stock here was still heavy while demand from SE Asia for chemicals and pharmaceuticals remained unpredictable.

HK/US Trade—Cargo movements between HK and US also slowed down after recent heavy imports and exports. Several thousands of tons of cotton, wheat flour, metals, canned foods, fruits, office equipment, machinery and automobiles, however, will arrive from US before month-end.

HK/Thailand Trade—Exports to Bangkok amounted to 2,500 tons but during the week, demand from that market turned bearish; orders covered only small quantities of a few items of metals, paper and pharmaceuticals. There were also enquiries for HK manufactured torch, enamelware, etc. but demand was not keen and counteroffers in most cases were too low to interest local factories. Imports of rice remained heavy.

HK/Indonesia Trade—Exports to Djakarta and ports outside Java Island came almost to a standstill on account of the political storm over Indonesia. A few local dealers still receive enquiries from Djakarta for enamelware and other HK manufactures but did not conclude any orders. The drop of Indonesian rupiah in HK and the rise of HK dollars in Djakarta made re-

plenishments too expensive for importers there. The deterioration of rupiah was caused, to a certain extent, by the new flight of capital out of Indonesia but the steady drop of foreign exchange reserves in Djakarta during the past few months probably did most of the damage. According to local banking authorities, only very small amounts of funds influxed from Indonesia recently because the bulk of Chinese capital there which could be switched to HK had already reached here last year and early this year.

HK/Malaya Trade—Fruits, vegetables and other foodstuffs constituted the major portion of the 3,000 tons of exports to Singapore and Malaya. Demand from Malayan ports last week covered only a few small lots of produce and foodstuffs. Meanwhile, Singapore and Kuala Lumpur bought more cereals, foodstuffs, cement and other light industrial products direct from China. It seems that local exporters and manufacturers have to redouble their efforts to retain this most important SE Asian market. Preferential tariff alone could not ward off the intensified competition from China.

HK/Philippines Trade—Trade between HK and Manila remained slow. Prospects of improvement dull; authorities there were considering to suspend imports financed from self-provided foreign exchange.

HK/Korea Trade—Seoul earmarked one million US dollars for essential imports. There were however still more enquiries than orders from Korea for structural steels, plates, paper, pharmaceuticals and chemicals. Dealers here believed that Seoul would obtain most supplies direct from US, Japan and Europe.

HK/Taiwan Trade—Imports and exports remained on a weekly average of about 500 tons each way. Reports from Taipei indicated that textile exporters there would soon be able to devote the entire foreign exchange earned from exports to the purchase of raw cotton instead of 80 percent as at present. There was no indication that the multiple exchange rates there might be amended to stimulate exports in general.

HK/Cambodia Trade—Imports of live hogs, rice bran, sesame and other staples from Phnompenh dwindled. Exports also quiet.

HK/Laos Trade—A few hundred tons of nails, cloth, biscuits and provisions were shipped to Vientiane via Bangkok last week.

HK/Burma Trade—Cargo movements between HK and Burma were quiet. Reports from Rangoon revealed that foreign exchange budget for imports during 1957 had been exhausted.

HK/Africa Trade—Imports from East Africa totalling 1,800 tons consisted chiefly of cotton, groundnut oil, beans and ivory. South Africa sent here about 600 tons of groundnut oil, wheat bran, canned foods and tanning extract; exports of cotton textiles,

metalware and other HK manufactures totalled 1,000 tons.

HK/North Borneo Trade—Dealers here continued to replenish large quantities of rubber, timber, firewood and coconuts from North Borneo. Exports were quiet.

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China Produce—The market registered only selective demand from Japan for sesame, gallnut, coir fibre and menthol crystal; from UK for rosin; from Europe for castor seed, spun silk; from Canada and Australia for woodoil; and from Singapore and Philippines for beans. Trading volume limited by short stock and low offers from buyers. Prices steady in general.

Metals—China absorbed some galvanized iron pipe, tinplate waste waste and zinc ingot when prices were slightly depressed by light liquidation here. There was also demand from SE Asia, Taiwan and Korea for round bars & other structural steels, iron pipes, steel plate and blackplate waste waste but quantities involved moderate because buying offers were depressed while most dealers here assumed a wait-and-see attitude.

Paper—Demand from Korea, Thailand, Taiwan and local consumers turned sluggish. Dealers here found that enquiries from Seoul were not very keen probably on account of the increased volume of Korea's direct imports from Europe. Orders from SE Asia were too small to stimulate the local market.

Pharmaceuticals—Trading slow with interest centred chiefly on sulfonamides, aspirin, phenacetin, quinine, saccharine crystal, antipyrin and vitamin powders. Low stock here restricted the volume of exports.

Industrial Chemicals—The market was sluggish.

Cotton Yarn—Tight money among local weavers and knitters on account of the annual closing of accounts restricted the volume of business in the local yarn market. HK products were marked down but still higher than imported brands which further declined on account of lower Japanese indents, weaker Karachi quotations and reduced prices for Indian products.

Cotton Piecegoods—HK grey was steady in spite of the quiet market. Chinese grey remained weak while Japanese brands dipped under marked-down indents. Japanese white shirting retained steady local demand.

Rice—Thai rice opened weak and dipped under heavy supply but towards week-end steady Bangkok quotations checked the decline. Chinese and Cambodian rice steady on short supply.

Wheat Flour—The market was sluggish. HK and Australian brands steady on increased cost while US and Canadian flour remained weak.

Sugar—Taiwan granulated remained weak because supply still exceeded de-

mand. Indonesian brown steady on dwindled stock.

Cement—Local demand for HK and imported brands remained very strong. Exports however sluggish. Prices were firm because imports from Japan restricted while cost of Chinese cement advanced recently.

Diamonds, Pearls, Jade and Precious Stones—Trading in the local market in

diamonds, pearls, jade and precious stones continued rather quiet but at steady prices as was noted for the last several months. The local stock of diamonds consists of (1) those stones carried here from the Chinese Continent after the Communist take-over; (2) those smuggled to the Colony from China and Taiwan during the last seven to eight years, and (3) those stones which were imported from Holland,

Belgium, Switzerland, South Africa, etc. Extra large or pure water diamonds are rather difficult to obtain unless one is prepared to pay very high prices of about HK\$10,000 (US\$1,700) per carat. First rate stones are obtainable at prices from HK\$3,000 (US\$500) to HK\$6,000 (US\$1,000) per carat. Medium grades are quoted from HK\$1,000 to \$2,000 (Continued on Page 836)

HONGKONG TRADE IN NOVEMBER AND JAN.-NOV. 1957

Hongkong's exports in November valued at \$253.9 million were \$4.8 million (1.8 per cent) lower than the record for October and imports at \$412.3 million were \$16 million (3.7 per cent) less. Compared with the corresponding month in 1956 exports showed a decline of \$11.9 million or 4.5 per cent but imports improved by \$25.7 million or 6.6 per cent. Exports during the period January to November 1957 valued at \$2,778 million were \$134.9 million (4.6 per cent) lower than those for the same period in 1956, but exceeded those for 1955 by \$489.8 million (21.4 per cent). Imports valued at \$4,743.2 million rose by \$565.7 million (13.5 per cent) over 1956 and by \$1,374.3 million (40.8 per cent) over 1955.

A comparison of the trade figures for the period January to November 1957 with those for the corresponding period in 1956 reveals following changes. Considerable increases were recorded in exports to US (\$74.1 million), UK (\$34.6 million), Burma (\$22.8 million) and Philippines (\$22.2 million). Exports to Indonesia fell by \$158.1 million, and to Thailand, Japan and South Korea, by \$126.7 million, \$57.4 million and \$52.5 million respectively. Imports from UK increased by \$142 million, and from US by \$123.8 million. Large increases were also recorded in imports from China, Indonesia, Switzerland, Western Germany, India, Taiwan and South Africa. Imports from Malaya, Japan and Brazil fell by \$49.5 million, \$40.9 million and \$33.4 million respectively.

Exports of ores and metal scrap increased this year by \$30.4 million, and medicinal and pharmaceutical products by \$27 million. Exports of textile yarn and piecegoods dropped by \$62.7 million, and inedible animal and vegetable crude materials, manufactured fertilizers, and oilseeds and oil nuts, by \$28.8 million, \$26.6 million and \$21.4 million respectively. Imports of most principal items showed an increase notably base metals, scientific and controlling instruments (including photographic and optical goods and watches and clocks), ores and metal scrap, non-electrical machinery and fruits and vegetables, up by \$73.8 million, \$73.1 million, \$45.7 million, \$45.2 million and \$32.5 million respectively. Imports of manufactured fertilizers however fell by \$26.6 million.

Mail Order Trade—The value and volume of unclassified trade conducted through the post for November 1957 as reported by traders in their monthly returns received up to December 5 1957 are as follows:—Number of returns received, 205; despatched, 3,888 parcels valued at \$943,496; and received, 3,232 parcels valued at \$2,298,477.

Exports of Hongkong Products—Exports of Hongkong products during November amounted to \$62.6 million representing a decrease of \$8.4 million or 11.9 per cent from October figure; principal countries affected were UK, South Africa and the Philippines, down by \$2.3 million, \$1.4 million and \$1 million respectively. The November

1957 total represents 24.7 per cent of HK's total exports for the month and is \$1.1 million (1.7 per cent) lower than that for the corresponding month in 1956, and \$2.5 million (3.8 per cent) less than 1955 figures.

The value of Hongkong products exported during the period January to November 1957 was \$732.3 million which is \$20.6 million (2.9 per cent) higher than that for the corresponding period in 1956, and \$68.7 million (10.3 per cent) more than 1955 record. An analysis of the value of Hongkong products exported during the period January to November 1957 compared with that for the same period last year shows following changes: The United Kingdom increased purchases by \$9.9 million to a total value of \$157.2 million, and maintained its position as the principal buyer so far this year. Although Indonesia reduced purchases considerably, from \$118.1 million in 1956 to \$79.5 million in 1957, it still retains the second position. Exports to Africa, other than British Territories and Egypt, increased by \$24.3 million, and to US, Philippines and South Africa by \$19.1 million, \$12.1 million and \$9.9 million respectively. Exports to Thailand dropped by \$12.1 million and to British West Africa and Malaya by \$11.8 million and \$9.1 million respectively. Major exports this year are cotton piecegoods, cotton yarn, shirts, enamelware, footwear, electric torches, cotton singlets, embroidered linen, metal lanterns, preserved fruits, paints, towels, plastic articles and iron and steel bars. Exports valued at over \$50 million are listed below with major markets:

Commodity	Total exports Jan.-Nov. 1957	Major Markets	Million HK\$
Cotton Piecegoods	\$211,443,341	United Kingdom	83.3
		Indonesia	30.0
		South Africa	21.2
		French Equatorial & West Africa	20.9
Cotton yarn	\$101,784,950	Australia	14.0
		Indonesia	37.4
		Philippines	25.7
		United Kingdom	17.7
Shirts	\$ 77,901,343	United Kingdom	15.8
		U.S.A.	13.2
		British East Africa	8.1
		Malaya	7.7
		British West Africa	6.9
Enamelware	\$ 60,058,540	British West Africa	15.0
		Africa, (not elsewhere stated)	6.4
		Belgian Congo	4.0
		French Equatorial & West Africa	3.5
		Malaya	3.4
Footwear	\$57,147,457	Thailand	3.4
		British East Africa	2.9
		Indonesia	2.8
		United Kingdom	25.3
		Malaya	6.2
		Canada	3.9
		Thailand	3.0

Certificates of Origin & Imperial Preference Certificates issued during the month totalled 20,140 and covered goods to the declared value of \$65,955,761.

IMPORTS, BY COUNTRIES

Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$	Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$
Merchandise				Venezuela	—	22,770)	
United Kingdom	54,416,295	618,623,207	476,627,274	South America,		)	1,070,237
Central African				n.e.s.	28,373	1,410,754)	
Federation	770,874	4,109,183	3,918,212	Burma	739,335	16,520,120	33,171,284
East Africa,				China	95,129,523	1,021,563,952	932,058,613
British	7,992,616	60,415,578	51,366,893	Taiwan	1,783,619	68,650,999	40,338,427
South Africa	12,602,343	49,783,500	27,715,312	Indonesia	7,718,764	117,230,176	51,685,299
Canada	2,882,066	47,831,662	42,784,943	Japan	79,037,559	705,676,530	746,563,595
West Indies,				Korea, South	1,713,554	20,851,477	11,735,023
British	15,654	281,483	194,546	Macau	3,545,859	39,232,352	36,563,779
Borneo, British	4,364,051	43,882,191	36,634,229	Philippines	534,127	17,982,617	32,912,196
Ceylon	396,442	5,079,899	3,607,069	Thailand	11,922,812	176,645,952	170,485,710
India	5,545,879	51,830,628	47,490,595	Cambodia	2,186,866	51,316,046)	
Malaya	11,137,292	92,922,762	142,420,475	Laos	29,636	466,260)	
Pakistan	3,640,947	86,905,780	94,270,874	Vietnam, North	1,613,879	20,134,096)	61,041,832
Australia	4,153,738	101,960,738	88,607,641	Vietnam, South	489,080	4,181,273)	
New Zealand	81,618	4,077,739	2,369,096	Middle & Near			
Fiji	—	99,807)		East	5,368,311	52,618,815	49,821,277
Oceania, Bri-			6,699,962	Asia, n.e.s.	—	7,500	7,100
tish, n.e.s.	—	1,395,566)		Austria	512,446	13,438,598	15,646,294
Mauritius	12,100	783,168)		Belgium	9,684,822	112,739,986	101,024,928
Mediterranean				Denmark	762,262	7,898,571	5,459,728
Territories,				France	2,039,703	33,923,588	25,571,207
Br.	—	10,309)		Germany, West	11,385,815	145,286,198	110,580,883
Aden	—	256,511)	840,583	Italy	3,340,311	58,440,715	39,699,719
British Com-				Netherlands	7,111,699	78,385,373	73,883,294
monwealth,				Norway	708,278	12,353,421	4,297,953
n.e.s.	—	177,098)		Sweden	1,330,681	23,923,622	18,258,456
Egypt	—	10,506,897)	6,086,347	Switzerland	16,900,964	178,488,070	117,663,901
Belgian Congo	—	326,289)		U.S.S.R.	—	2,707	2,840,216
North Africa,				Czechoslovakia	484,787	8,637,842)	
French	—	7,198)		Europe, East,			11,719,128
Equatorial &			1,793,363	n.e.s.	561,106	5,018,024)	
West Africa,				Europe, n.e.s.	574,899	11,740,145	9,889,319
Fr.	—	4,839)		United States			
Madagascar	—	60,541)		Oceania	46,007	162,006	315,595
Africa, n.e.s.	266,359	1,364,773)		Oceania, n.e.s.	89,463	660,080	543,699
U.S.A.	35,545,880	499,952,381	376,171,131				
Cuba	8,890	110,363)		Total Mer-			
Haiti	—	—)		chandise	412,321,689	4,743,247,439	4,177,556,935
Mexico	19,502	45,067)	2,134,077	Total Gold			
Central Ame-				and Specie	37,393,220	375,439,893	454,716,356
rica, n.e.s.	600	194,550)					
Argentina	296,449	4,314,966	2,160,451	Grand Total	449,714,909	5,118,687,332	4,632,273,291
Brazil	797,554	20,322,131	53,711,170				

EXPORTS, BY COUNTRIES

Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$	Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$
Merchandise				Fiji	418,863	2,802,737)	
United Kingdom	28,887,761	305,072,103	270,495,329	Oceania, Bri-		)	9,693,214
Central African				tish, n.e.s.	514,548	2,184,780)	
Federation	1,175,840	14,336,383	13,000,650	Mauritius	858,709	5,414,834)	
East Africa,				Mediterranean			
British	2,471,408	28,930,464	29,998,253	Territories,			
South Africa	2,369,631	40,411,088	26,045,029	Br.	588,026	6,804,779)	
Nigeria	2,685,820	26,402,725)		Aden	819,202	8,626,677)	20,560,986
West Africa,			59,006,065	British Com-			
British, n.e.s.	1,072,826	20,201,778)		monwealth,			
Canada	3,338,403	38,284,157	27,262,053	n.e.s.	21,858	228,611)	
West Indies,				Egypt	4,200	208,821)	2,128,372
British	2,166,453	22,221,104	18,539,303	Belgian Congo	654,409	12,515,143)	
Borneo, British	3,551,091	35,963,657	44,081,000	North Africa,			
Ceylon	1,605,617	14,983,549	13,882,639	French	73,870	2,231,211)	
India	840,956	12,568,521	19,817,431	Equatorial &			51,806,752
Malaya	33,819,932	337,197,959	334,022,112	West Africa,			
Pakistan	325,689	3,566,650	4,906,832	Fr.	4,177,923	36,482,227)	
Australia	6,870,436	60,735,179	51,907,729	Madagascar	441,963	4,998,238)	
New Zealand	1,433,125	15,782,529	14,497,495	Africa, n.e.s.	2,280,711	27,600,015)	

Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$	Country	November, 1957 HK\$	Jan./Nov. 1957 HK\$	Jan./Nov. 1956 HK\$
U.S.A.	21,463,213	178,611,315	104,539,106	Middle & Near East	2,687,413	28,607,266	30,784,459
Cuba	412,734	4,561,509)		Asia, n.e.s.	55,799	1,825,890	3,049,036
Haiti	190,400	1,103,431)		Austria	5,579	73,134	54,078
Mexico	277,596	2,469,115)	27,967,750	Belgium	1,661,429	14,682,112	10,430,282
Central Ame- rica, n.e.s.	2,252,543	28,129,935)		Denmark	261,891	4,507,507	4,733,982
Argentina	16,605	409,665	452,354	France	360,170	12,076,343	19,727,081
Brazil	79,834	903,672	409,509	Germany, West	3,601,155	38,548,598	34,686,429
Venezuela	1,451,936	12,153,745)		Italy	625,896	8,480,069	8,687,733
South America, n.e.s.	1,012,758	10,562,524)	20,528,122	Netherlands	1,327,626	17,037,287	22,308,987
Burma	4,178,712	46,984,275	24,201,583	Norway	682,590	8,269,967	5,761,831
China	9,793,886	114,624,266	118,756,017	Sweden	908,775	9,254,930	5,530,453
Taiwan	4,929,138	54,412,319	42,602,162	Switzerland ...	291,810	3,014,099	3,363,360
Indonesia	25,778,783	301,125,857	459,229,578	Europe, n.e.s. ..	325,951	2,547,394	2,734,448
Japan	6,881,833	219,227,137	276,671,522	United States			
Korea, North ..	—	32,400	—	Oceania	2,860,561	28,224,967	28,593,661
Korea, South ..	6,681,571	64,446,923	116,995,256	Oceania, n.e.s.	1,720,875	12,906,213	9,634,490
Macau	6,156,307	61,095,059	51,735,443	Total Mer- chandise ..	253,853,884	2,778,028,879	2,912,961,070
Philippines	5,460,174	65,620,850	43,384,624	Total Gold and Specie	30,621,900	376,684,848	480,824,298
Thailand	18,762,124	171,347,753	298,018,742	Grand Total	284,475,784	3,154,713,727	3,393,785,368
Cambodia	3,956,815	42,299,345)					
Laos	8,295,546	60,830,040)	128,707,748				
Vietnam, North	3,659,292	28,940,303)					
Vietnam, South	1,309,114	31,325,696)					

IMPORTS, BY DIVISIONS

Division	November, 1957 HK\$	Jan./Nov., 1957 HK\$	Jan./Nov., 1956 HK\$
Live animals	15,219,219	158,924,239	148,085,363
Meat & preparations	5,421,920	60,093,454	38,039,753
Dairy products	6,791,197	93,334,607	79,448,961
Fish & preparations	8,060,972	83,035,922	75,736,479
Cereals	17,520,498	267,195,909	254,988,130
Fruits, vegetables	19,042,571	210,416,574	177,931,372
Sugar & preparations	2,214,029	84,966,035	77,906,007
Coffee, tea, cocoa, spices	7,439,374	56,030,306	45,918,142
Feeding stuffs	520,649	7,967,708	7,824,994
Miscellaneous food	3,193,171	34,445,231	29,326,587
Beverages	2,248,991	29,837,022	25,285,668
Tobacco & manufactures	5,300,352	67,118,261	53,939,894
Hides, skins, furs (undressed)	408,045	12,887,627	13,560,521
Oil seeds, nuts	3,014,616	31,769,821	37,355,245
Crude rubber (including synthetic)	1,488,164	16,458,051	19,344,968
Wood, lumber, cork	6,687,522	69,625,516	62,373,459
Pulp, waste paper	106,821	3,015,372	2,576,255
Textile fibres & waste	21,777,756	289,881,011	284,551,428
Crude fertilisers & minerals	1,070,915	9,503,936	7,711,628
Ores, metal scrap	292,978	59,405,104	13,730,172
Animal & vegetable crude materials	10,363,530	166,664,883	161,704,426
Mineral fuels, lubricants, related materials	18,451,931	197,587,370	190,412,778
Animal & vegetable oils (not essential greases, derivatives)	11,254,387	80,925,340	73,374,184
Chemical elements & compounds	3,359,468	48,531,167	38,315,733
Mineral tar, crude chemicals	—	325,692	1,292,308
Dyeing, tanning & colouring materials	3,274,855	44,992,643	36,752,757
Medicinal & pharmaceutical products	6,877,730	74,783,930	50,668,256
Perfume materials, cleansing preparations	2,955,004	40,278,251	41,951,885
Fertilizers (manufactured)	2,910,330	10,267,899	36,827,836
Explosives, miscellaneous chemicals	5,269,851	74,347,616	52,509,819
Leather & manufactures, dressed furs	1,757,568	23,047,217	18,717,011
Rubber manufactures	1,476,007	12,763,406	16,821,565
Wood & cork manufactures	1,216,713	11,238,771	10,053,536
Paper, paperboard & manufactures	8,696,048	120,103,357	106,877,065
Textile yarn, fabrics, made-up articles	92,818,176	872,952,691	848,729,796
Non-metallic mineral manufactures	7,645,802	86,997,984	84,518,511
Silver, platinum, gems, jewellery	16,813,528	97,318,808	87,822,975
Base metals	11,028,742	314,999,390	241,168,689
Manufactures of metals	4,255,636	61,168,373	56,077,175
Machinery other than electric	16,546,359	159,981,693	114,773,575
Electric machinery & appliances	8,302,455	90,316,141	76,334,759
Transport equipment	9,269,300	108,961,431	77,763,773

Division	November, 1957 HK\$	Jan./Nov., 1957 HK\$	Jan./Nov., 1956 HK\$
Prefabricated buildings; plumbing, heating & lighting fittings	975,642	12,160,550	12,837,467
Furniture, fixtures	260,021	4,427,728	3,370,504
Travel goods	421,965	2,929,166	2,208,322
Clothing	6,484,246	56,095,715	38,960,047
Footwear	715,776	8,864,428	3,844,530
Scientific instruments; photographic & optical goods; watches, clocks	21,904,412	220,327,023	147,177,038
Miscellaneous manufactures	9,143,218	98,437,738	89,808,670
Live animals (not for food)	53,229	539,332	246,919
Gold, specie	37,393,220	375,439,893	454,716,356
Total:	449,714,909	5,118,687,332	4,632,273,291

EXPORTS, BY DIVISIONS

Division	November, 1957 HK\$	Jan./Nov., 1957 HK\$	Jan./Nov., 1956 HK\$
Live animals	25,512	819,996	279,480
Meat & preparations	597,925	7,786,829	7,748,817
Dairy products	1,122,489	12,710,194	15,147,936
Fish & preparations	3,914,044	29,461,512	23,458,740
Cereals & preparations	5,534,161	40,377,592	48,655,429
Fruits, vegetables	8,261,907	107,542,884	104,050,476
Sugar & preparations	2,455,598	52,755,955	38,241,625
Coffee, tea, cocoa, spices	2,639,535	27,551,354	25,337,473
Feeding stuffs	224,013	2,206,144	2,488,042
Miscellaneous food	3,118,712	29,622,982	29,083,001
Beverages	797,591	10,221,845	11,261,248
Tobacco & manufactures	656,424	8,615,053	7,087,152
Hides, skins, furs (undressed)	340,425	9,736,886	14,897,513
Oil seeds, nuts	1,374,699	16,751,573	38,132,197
Crude rubber (including synthetic)	217,857	2,140,128	367,010
Wood, lumber, cork	1,261,449	10,084,056	7,780,868
Pulp, waste paper	68,628	2,185,584	1,594,407
Textile fibres & waste	2,902,698	67,010,182	84,856,516
Crude fertilisers & minerals	311,439	3,836,977	3,974,220
Ores, metal scrap	1,499,240	89,247,209	58,834,271
Animal & vegetable crude materials	8,255,957	105,228,907	134,001,022
Mineral fuels, lubricants, related materials	299,401	5,027,593	24,129,281
Animal & vegetable oils (not essential oils), fats, greases, derivatives	3,880,122	38,885,832	33,438,489
Chemical elements & compounds	1,298,559	17,455,441	13,547,758
Mineral tar, crude chemicals	1,944	149,309	697,086
Dyeing, tanning & colouring materials	3,941,385	43,394,140	47,379,386
Medicinal & pharmaceutical products	9,586,002	74,564,370	47,548,621
Perfume materials, cleansing preparations	1,517,369	21,274,126	23,462,476
Fertilizers (manufactured)	2,530,151	10,122,915	36,727,672
Explosives, miscellaneous chemicals	1,476,361	20,104,649	17,825,115
Leather & manufactures, dressed furs	248,397	1,796,263	2,421,501
Rubber manufactures	803,949	4,858,690	10,216,788
Wood & cork manufactures	258,843	4,226,203	3,654,097
Paper, paperboard & manufactures	4,240,152	47,884,899	66,128,504
Textile yarn, fabrics, made-up articles	68,927,464	692,856,785	755,581,114
Non-metallic mineral manufactures	2,954,398	37,398,217	48,213,506
Silver, platinum, gems, jewellery	3,178,873	27,885,892	30,695,790
Base metals	4,790,826	102,014,974	105,607,556
Manufactures of metals	10,471,778	111,511,699	123,262,497
Machinery other than electric	3,288,736	31,250,894	47,122,319
Electric machinery & appliances	3,653,007	33,696,484	34,455,131
Transport equipment	4,821,184	34,824,793	30,759,016
Prefabricated buildings; plumbing, heating & lighting fittings	4,747,290	62,062,617	72,577,482
Furniture, fixtures	3,192,928	32,994,513	30,660,602
Travel goods	2,089,416	16,511,565	16,176,983
Clothing	37,925,390	400,506,831	369,233,531
Footwear	6,844,480	65,327,841	75,746,874
Scientific instruments; photographic & optical goods; watches, clocks	3,544,066	35,387,565	38,585,099
Miscellaneous manufactures	17,664,384	167,432,821	149,301,006
Live animals (not for food)	96,776	727,116	528,347
Gold, specie	30,621,900	376,684,848	480,824,298
Total:	284,475,784	3,154,713,727	3,393,785,368

HONGKONG PRODUCTS

EXPORTS, BY COUNTRIES

Country	November, 1957 HK\$	Jan.-Nov. 1957 HK\$	Jan.-Nov. 1956 HK\$
United Kingdom	14,909,342	157,152,242	147,224,928
Central African Federation	411,270	5,318,230	5,043,834
East Africa, British ..	1,013,020	11,193,039	17,690,843
South Africa	1,192,370	26,199,107	16,288,387
Nigeria	2,079,017	19,070,584	40,882,795
West Africa, British, n.e.s.	605,873	10,537,109	6,207,071
Canada	775,624	10,040,679	8,183,755
West Indies, British ..	805,751	10,510,225	11,140,653
Borneo, British	900,419	9,530,242	3,979,843
Ceylon	398,220	4,734,930	5,891,818
India	68,881	1,571,200	80,126,092
Malaya	6,943,381	70,992,761	1,545,658
Pakistan	163,054	1,022,800	18,153,566
Australia	1,883,588	20,245,513	5,183,476
New Zealand	549,762	5,553,525	2,605,891
Fiji	181,041	1,212,955	9,900,310
Oceania, British, n.e.s.	147,443	724,472	277,439
Mauritius	371,686	2,521,842	28,116,318
Mediterranean Ter- ritories, Br.	405,312	3,938,748	18,609,440
Aden	389,262	3,717,136	11,457,586
British Common- wealth, n.e.s.	12,583	87,925	22,583,181
Egypt	—	—	10,698,706
Belgian Congo	322,880	6,028,521	1,895,981
North Africa, French Equatorial & West Africa, Fr.	48,667	1,591,783	408
Madagascar	3,518,028	28,836,393	1,637,109
Africa, n.e.s.	240,787	2,430,244	1,485,354
U.S.A.	1,053,131	13,520,872	560,227
Cuba	3,351,337	37,660,519	2,155,702
Haiti	175,550	1,781,215	608,323
Mexico	124,813	771,990	2,879,791
Central America, n.e.s.	121,202	1,536,041	485,884
Argentina	782,907	11,145,383	1,461,774
Brazil	11,105	98,152	253,891
Venezuela	72,803	277,754	484,467
South America, n.e.s.	843,460	7,035,672	
Burma	564,921	5,400,205	
China	259,972	11,561,773	
Taiwan	370	2,454,720	
Indonesia	20,670	951,912	
Japan	3,005,737	79,505,025	
Korea, South	620,065	4,458,876	
Macau	23,575	224,023	
Philippines	536,785	5,523,478	
Thailand	2,557,125	34,757,179	
Cambodia	2,696,238	31,821,701	
Laos	136,494	5,073,783	
Vietnam, North	3,041,771	20,055,062	
Vietnam, South	—	20,960	
Middle & Near East	295,997	1,428,431	
Asia, n.e.s.	717,494	8,993,405	
Austria	34,761	908,730	
Belgium	160	1,664	
Denmark	117,330	1,534,811	
France	121,915	1,645,419	
Germany, West	14,155	424,463	
Italy	756,200	5,600,040	
Netherlands	195,379	1,012,416	
Norway	191,079	2,121,746	
Sweden	261,034	1,855,722	
Switzerland	187,336	1,912,735	
Europe, n.e.s.	17,483	279,557	
	141,312	556,972	

Country	November, 1957 HK\$	Jan.-Nov. 1957 HK\$	Jan.-Nov. 1956 HK\$
United States	289,908	3,319,488	2,917,881
Oceania, n.e.s.	403,866	4,272,601	3,210,254
Total	62,586,711	732,266,700	711,647,540

EXPORTS, BY COMMODITIES

Commodity	November, 1957 HK\$	Jan.-Nov. 1957 HK\$	Jan.-Nov. 1956 HK\$
Fish in airtight con- tainers	266,020	2,005,215	2,039,768
Fruits (preserved)	1,198,706	12,827,923	14,247,075
Jams, fruit jellies	87	1,894	1,233
Fruit juices (unfer- mented)	8,107	302,178	468,473
Non-alcoholic bever- ages	37,420	959,371	851,384
Beer	1,440	9,169	26,410
Cigarettes	180,432	1,815,066	942,126
Iron ore	565,934	3,743,677	4,383,400
Tungsten ore	—	31,500	133,463
Seagrass	21,739	99,161	81,824
Lacquers, varnishes ..	269,086	2,659,080	2,801,482
Paints, enamels, mas- tics	1,256,748	11,848,610	10,836,132
Cotton yarn	7,538,061	101,784,950	87,459,926
Cotton piecegoods	16,950,539	211,443,341	153,549,629
Towels (not embroi- dered)	1,131,747	11,340,987	13,086,214
Linen (embroidered) ..	1,537,414	14,356,295	9,675,148
Cement	349,116	5,468,410	7,628,532
Iron & steel bars	1,264,183	10,197,200	12,958,325
Enamelware	5,699,251	60,058,640	69,647,398
Aluminiumware	729,405	8,086,454	7,683,238
Torch batteries	921,801	9,928,227	8,172,697
Torch bulbs	361,289	3,934,471	5,557,243
Electric Torches	3,134,573	38,922,456	45,499,123
Metal lanterns	939,300	13,546,779	15,965,260
Cotton singlets	3,038,643	34,370,751	71,517,605
Underwear, night- wear (embroider- ed)	136,899	3,828,246	2,923,733
Shirts	5,915,578	77,901,343	65,232,839
Outerwear (embroi- dered)	468,823	8,137,159	6,694,098
Embroidered articles of clothing (e.g., handkerchiefs, shawls, etc.), n.e.s.	1,136,488	7,094,159	5,681,895
Footwear	5,822,753	57,147,457	69,262,198
Matches	77,664	784,331	802,801
Plastics articles	940,727	10,189,665	8,952,030
Vacuum flasks	686,738	7,442,535	6,886,838
Total	62,586,711	732,266,700	711,647,540

HONGKONG'S PRINCIPAL EXPORTS IN 1956

PART VI

Item, Unit and Country to which Exported			Total for 1956 to date		Item, Unit and Country to which Exported			Total for 1956 to date	
			Quantity	Value HK\$				Quantity	Value HK\$
Fabrics of nylon fibres Sq. yd.			908,939	2,421,534				—	4,056
Australia			9,646	36,276	Central America			—	53,161
India			250	960	South American Countries, other			—	2,774
Malaya			624,385	1,572,333	Thailand			—	8,887
West Africa (British)			2,524	6,954	Middle and Near East Countries			—	20,006
British Comm., other			20,210	51,221	Belgium			—	5,975
China			130	340	Denmark			—	3,823
Formosa			14,881	54,865	Germany (Western)			—	7,100
Cambodia, Laos & Vietnam			37,202	105,235	Italy			—	3,447
Indonesia			20,983	39,966	Netherlands			—	6,754
Japan			7	58	Norway			—	6,000
Korea, South			37,469	118,503	Sweden			—	303,147
Macao			1,309	3,170	Switzerland			—	
Philippines			66	598					
Thailand			38,841	100,443					
Middle and Near East Countries			37	150	Fishing nets of textile fibres and rope-makers' wares —			—	9,775,931
Central Asian Countries			6,760	22,790	Australia			—	8,399
United States Oceania			89,789	292,722	Malaya			—	160,942
Oceania, n.e.s.			4,450	14,950	North Borneo			—	288,862
					West Africa (British)			—	2,010
					British Oceania			—	2,087
					British Comm., other			—	1,671
					China			—	454,693
					Formosa			—	444,173
					Cambodia, Laos & Vietnam			—	3,225,106
					Indonesia			—	820,156
					Japan			—	25,790
					Macao			—	244,623
					Philippines			—	55,086
					Thailand			—	4,035,275
					Central Asian Countries			—	475
					United States Oceania			—	2,154
					Oceania, n.e.s.			—	4,429
Fabrics of synthetic fibres and spun glass, n.e.s. Sq. yd.			11,139,979	13,407,446	Gunny bags, new or used No.			6,477,575	7,898,539
Australia			86,531	65,607	United Kingdom			59,800	50,854
India			8,705	16,373	North Borneo			102,000	73,645
Malaya			117,906	240,260	British Oceania			460	345
North Borneo			41,365	66,687	African Countries, other ..			629,000	666,935
South Africa			159,260	123,752	China			2,120,088	3,195,945
West Africa (British)			46,393	48,693	Formosa			155,000	176,985
East Africa (British)			3,579,696	3,288,932	Cambodia, Laos & Vietnam			446,774	638,872
Central Africa (British)			410,199	403,853	Indonesia			3,000	4,140
British West Indies			211,353	205,308	Macao			515	415
British Oceania			5,695	6,166	Philippines			605,888	458,915
British Comm., other			21,100	26,044	Thailand			1,877,225	2,183,588
African Countries, other			737,938	785,488	Belgium			44,000	39,840
Central America			28,966	22,018	Netherlands			433,825	408,060
South American Countries, other			1,600	1,440					
Formosa			23,454	133,705					
Cambodia, Laos & Vietnam			881,946	1,431,375					
Indonesia			1,625,028	1,653,991					
Japan			3,128	14,594					
Macao			172,845	195,986					
Philippines			1,759	16,903					
Thailand			2,911,358	4,638,303					
Middle and Near East Countries			56,477	49,205					
Central Asian Countries			2,025	3,710					
United States Oceania			2,942	12,103					
Oceania, n.e.s.			2,310	6,950					
Embroidery (of all materials), in the piece, in strips or in motifs, not including em- broidered clothing and other embroidered made-up articles			—	921,279	Towels, not embroidered, im- ported Doz.			273,696	3,917,026
United Kingdom			—	10,268	Australia			300	3,840
Australia			—	26,706	Malaya			55,580	327,456
Canada			—	8,939	North Borneo			3,602	40,239
Malaya			—	54,628	British West Indies			50	700
North Borneo			—	101,066	British Comm., other			1,590	10,292
South Africa			—	6,415	African Countries, other ..			400	3,253
British West Indies			—	1,370	Central America			153	1,500
British Oceania			—	84	South American Countries, other			950	4,550
Egypt			—	100	Burma			4,788	24,762
African Countries, other			—	8,857	Cambodia, Laos & Vietnam			8,651	227,865
U.S.A.			—	277,716	Macao			1,494	17,601
					Thailand			195,125	3,236,055
					Oceania, n.e.s.			620	12,513
					Belgium			343	5,000
					Norway			50	1,400

Item, Unit and Country to which Exported	Total for 1956 to date		Item, Unit and Country to which Exported	Total for 1956 to date	
	Quantity	Value HK\$		Quantity	Value HK\$
Bed linen, table linen and toilet linen (including towels), embroidered, imported .. —	—	11,023,285	India	—	16,492
United Kingdom	—	408,770	Malaya	—	1,719
Australia	—	1,305,080	North Borneo	—	98,496
Canada	—	704,813	West Africa (British)	—	3,370
Malaya	—	261,253	British Oceania	—	450
New Zealand	—	4,821	British Comm., other	—	215
South Africa	—	237,442	African Countries, other ..	—	113
West Africa (British)	—	45,869	Burma	—	2,163
East Africa (British)	—	6,520	China	—	25,189
British West Indies	—	68,139	Formosa	—	14,348
British Oceania	—	201	Cambodia, Laos & Vietnam ..	—	63,450
British Comm., other	—	59,946	Indonesia	—	145,762
Egypt	—	3,097	Korea, South	—	3,500
African Countries, other ..	—	138,003	Macao	—	20,641
Central America	—	1,671,381	Thailand	—	29,317
Brazil	—	6,265	United States Oceania	—	655,702
South American Countries, other	—	1,382,610	Oceania, n.e.s.	—	1,559
Formosa	—	4,089	Silver, unworked and partly worked (not bullion) .. —	—	12,700
Indonesia	—	35,296	China	—	12,700
Japan	—	580	Platinum and other metals of platinum group, unworked and partly worked —	—	385,522
Macao	—	7,373	China	—	374,079
Thailand	—	194,057	Indonesia	—	5,000
Middle and Near East Coun- tries	—	242,526	Italy	—	6,443
United States Oceania	—	1,195	Precious stones (diamonds, rubies, sapphires, emeralds), uncut —	—	44,435
Oceania, n.e.s.	—	63	U.S.A.	—	44,435
Austria	—	176	Jade, uncut	—	160,720
Belgium	—	812,964	U.S.A.	—	3,000
Denmark	—	165,302	China	—	149,362
France	—	479	Germany (Western)	—	7,478
Germany (Western)	—	1,744,732	Italy	—	880
Italy	—	4,407	Diamonds cut and polished, unset	—	16,112,724
Netherlands	—	203,225	United Kingdom	—	1,894,178
Norway	—	264,615	Malaya	—	8,215,404
Sweden	—	266,808	U.S.A.	—	38,164
Switzerland	—	769,300	Middle and Near East Coun- tries	—	317,483
European Countries, other ..	—	1,888	United States Oceania	—	11,520
Cement, imported Cwt.	510,936	3,180,027	Belgium	—	5,070,817
Australia	22,000	120,925	Netherlands	—	565,158
Malaya	54,266	302,070	Jade, cut and polished, unset —	—	1,225,881
North Borneo	161,601	992,241	Australia	—	5,628
British Oceania	3,344	17,619	Canada	—	13,675
China	8,605	50,790	Malaya	—	251,225
Formosa	20	200	North Borneo	—	72,840
Cambodia, Laos & Vietnam ..	28,707	188,426	British Comm., other	—	680
Indonesia	43,616	250,919	African Countries, other ..	—	11,181
Macao	15,182	92,667	U.S.A.	—	6,375
Thailand	159,814	1,013,690	Central America	—	691,034
Oceania, n.e.s.	13,781	150,480	South American Countries, other	—	5,524
Sheet (window) glass, un- worked Sq. ft.	14,389,184	4,253,671	Cambodia, Laos & Vietnam ..	—	5,154
United Kingdom	400	300	Middle and Near East Coun- tries	—	2,100
Australia	526	320	United States Oceania	—	12,387
Malaya	50,000	39,547	Denmark	—	2,813
North Borneo	125,010	66,096	France	—	7,140
West Africa (British)	34,016	12,750	Germany (Western)	—	10,692
British Comm., other	50,667	11,296	Italy	—	14,062
Formosa	163,914	37,337	Switzerland	—	4,673
Cambodia, Laos & Vietnam ..	1,094,290	350,778	European Countries, other ..	—	106,668
Indonesia	6,553,500	2,046,086			2,030
Korea, South	300,600	72,680			
Macao	139,186	52,111			
Philippines	31,800	26,056			
Thailand	5,791,000	1,503,573			
United States Oceania	52,200	32,861			
Oceania, n.e.s.	2,075	1,880			
Glass, n.e.s.	—	1,086,661			
Australia	—	2,477			
Ceylon	—	1,698			

Item, Unit and Country to which Exported	Total for 1956 to date		Item, Unit and Country to which Exported	Total for 1956 to date	
	Quantity	Value HK\$		Quantity	Value HK\$
Natural pearls, loose or temporarily strung ..	—	586,497	African Countries, other ..	817	39,824
India	—	3,360	Burma	280	19,003
Malaya	—	46,940	China	717	34,635
U.S.A.	—	8,710	Formosa	433	20,212
South American Countries, other	—	2,486	Indonesia	4,389	179,588
Philippines	—	17,216	Japan	3,630	161,000
Middle and Near East Countries	—	427,785	Korea, South	2,797	126,580
France	—	80,000	Macao	10	350
Cultured pearls, loose or temporarily strung ..	—	366,737	Philippines	3,562	175,870
United Kingdom	—	800	Thailand	1,399	59,083
Canada	—	47,508	Other mild steel plates and sheets, uncoated, under $\frac{1}{8}$" thick	24,831	1,348,991
India	—	26,081	North Borneo	90	4,496
Malaya	—	22,005	Central Africa (British) ..	321	19,798
North Borneo	—	6,212	Burma	810	47,886
British Comm., other	—	4,000	China	8,048	428,420
U.S.A.	—	132,172	Formosa	1,099	66,604
Central America	—	26,475	Cambodia, Laos & Vietnam	730	45,140
Philippines	—	6,578	Japan	7,907	451,290
Middle and Near East Countries	—	12,450	Macao	260	9,641
United States Oceania	—	1,395	Thailand	4,166	194,387
Italy	—	57,236	United States Oceania	1,400	81,329
Switzerland	—	23,825	Other mild steel plates and sheets, uncoated, $\frac{1}{8}$" thick and over	112,013	6,406,488
Iron and steel joists, girders, angles, shapes, sections, including tube rounds and squares	57,678	3,130,996	North Borneo	716	39,329
Malaya	4,186	231,091	Burma	117	6,810
North Borneo	7,276	531,179	China	44,263	2,445,117
East Africa (British) ..	800	26,864	Formosa	1,099	47,663
Burma	214	11,061	Cambodia, Laos & Vietnam	3,659	197,642
China	5,654	305,505	Indonesia	2,796	147,566
Formosa	1,456	59,570	Japan	47,092	2,846,966
Cambodia, Laos & Vietnam	2,149	131,131	Macao	282	10,486
Japan	20,189	1,095,212	Philippines	5,764	330,977
Korea, South	2,700	122,400	Thailand	5,952	318,320
Macao	1,851	82,637	United States Oceania	273	15,612
Thailand	10,290	480,912	Tinplate, primes (and seconds)	8,859	641,369
United States Oceania ..	913	53,434	Malaya	750	56,820
Iron and steel bars and rounds, imported	344,736	15,580,928	North Borneo	50	3,330
Australia	50	1,659	Burma	2,681	204,300
India	3,492	93,255	China	3,122	221,740
North Borneo	2,134	89,953	Cambodia, Laos & Vietnam	427	33,542
Burma	60	2,878	Korea, South	1,017	67,900
China	73,943	3,618,040	Macao	727	46,897
Formosa	4,449	166,116	Philippines	85	6,840
Cambodia, Laos & Vietnam	23,455	1,285,461	Tinplate waste or waste-waste	6,715	300,886
Indonesia	9,204	354,258	Malaya	2,980	147,757
Japan	118,754	5,736,428	Burma	84	3,000
Macao	1,152	46,521	China	500	27,500
Thailand	106,973	4,131,916	Formosa	350	15,500
United States Oceania ..	1,070	54,443	Cambodia, Laos & Vietnam	408	22,250
Iron and steel blackplate, under 28 gauge	76,135	3,299,424	Indonesia	1,351	64,599
Malaya	2	120	Macao	442	20,280
China	31,654	1,494,345	Plates and sheets, zinc coated (galvanized)	813,004	56,866,884
Formosa	622	27,152	Malaya	40	2,650
Indonesia	24,848	920,659	North Borneo	164	11,401
Japan	15,324	667,220	Burma	413	27,351
Korea, South	1,503	73,990	China	13,240	800,690
Macao	42	1,582	Formosa	1,159	79,040
Thailand	1,310	68,705	Cambodia, Laos & Vietnam	4,064	271,591
United States Oceania	830	45,651	Indonesia	370,819	25,259,884
Iron and steel blackplate, 28 gauge and over	18,638	837,825	Korea, South	28,319	2,128,759
North Borneo	4	262	Macao	1,232	86,559
Central Africa (British) ..	600	21,418	Thailand	392,125	28,106,808
			United States Oceania	1,429	92,151

Item, Unit and Country to which Exported	Total for 1956 to date		Item, Unit and Country to which Exported	Total for 1956 to date	
	Quantity	Value HK\$		Quantity	Value HK\$
Iron and steel wire rods, coated or not Cwt.	30,014	1,394,195	Sewing, machines, industrial and household, and accessories —	—	20,255,764
Malaya	102	3,954	United Kingdom	—	4,650
China	15,981	746,050	Australia	—	6,275
Formosa	7	354	India	—	3,370
Cambodia, Laos & Vietnam	7,477	401,096	Malaya	—	192,211
Japan	1,970	73,885	New Zealand	—	490
Korea, South	3,209	124,420	North Borneo	—	85,600
Macao	1,268	44,436	Pakistan	—	4,872
			West Africa (British)	—	4,761
Iron and steel wire, not barbed, coated or not Cwt.	75,168	3,187,475	East Africa (British)	—	1,593
Australia	196	6,928	British West Indies	—	2,500
India	900	27,180	British Oceania	—	542
Malaya	1,486	55,636	British Comm., other	—	3,780
North Borneo	700	24,864	African Countries, other	—	850
British Comm., other	7	330	U.S.A.	—	2,661
Burma	78	3,829	Central America	—	3,235
China	2,551	145,801	Burma	—	144,662
Formosa	2	146	China	—	62,213
Cambodia, Laos & Vietnam	8,912	451,417	Formosa	—	16,913
Indonesia	12,872	571,601	Cambodia, Laos & Vietnam	—	1,296,475
Japan	2,186	87,818	Indonesia	—	10,351,292
Korea, South	219	16,182	Japan	—	133,234
Macao	1,262	48,750	Korea, South	—	4,282,702
Philippines	200	7,560	Macao	—	122,665
Thailand	42,370	1,683,160	Philippines	—	216,475
Middle and Near East Countries	649	29,641	Thailand	—	2,933,920
United States Oceania	607	25,880	Middle and Near East Countries	—	20,844
Oceania, n.e.s.	11	752	Central Asian Countries	—	2,172
			United States Oceania	—	328,756
Steel tubes and fittings, welded or drawn Cwt.	68,903	5,023,552	Oceania, n.e.s.	—	25,106
India	108	10,000	Switzerland	—	945
North Borneo	2,201	250,838	Air-conditioning and refrigerating equipment (excluding mechanical refrigerators, c.f. 899 080, and dehumidifiers)	—	1,146,311
Brazil	14	2,675	India	—	19,933
China	31,168	1,996,174	Malaya	—	15,585
Formosa	4,387	334,856	North Borneo	—	9,341
Cambodia, Laos & Vietnam	3,699	319,617	Pakistan	—	164,655
Indonesia	1,393	122,948	British Comm., other	—	6,285
Japan	3,554	251,347	African Countries, other	—	3,000
Korea, South	716	92,262	Burma	—	101,985
Macao	720	52,740	China	—	286,227
Thailand	14,187	1,062,759	Formosa	—	153,945
United States Oceania	5,754	458,163	Cambodia, Laos & Vietnam	—	212,748
Oceania, n.e.s.	1,002	69,173	Indonesia	—	47,140
			Japan	—	29,484
Paper mill and pulp mill machinery, and machinery for paper manufacture —	—	685,282	Korea, South	—	12,568
China	—	660,254	Macao	—	40,743
Macao	—	3,380	Philippines	—	25,412
Thailand	—	21,648	Thailand	—	15,180
			United States Oceania	—	2,080
Textile machinery and accessories	—	9,139,313	Passenger road motor vehicles, complete, other than buses or motor-cycles No.	689	7,574,457
India	—	167,936	United Kingdom	37	271,200
Malaya	—	31,030	Australia	22	207,475
Pakistan	—	5,750	Canada	1	9,000
South American Countries, other	—	2,914	Ceylon	2	20,500
Burma	—	419,903	Malaya	29	246,900
China	—	95,446	New Zealand	3	25,500
Formosa	—	364,488	North Borneo	9	51,900
Cambodia, Laos & Vietnam	—	1,285,850	Pakistan	3	40,707
Indonesia	—	5,979,510	British West Indies	1	5,000
Japan	—	18,358	British Oceania	2	13,500
Korea, South	—	35,872	U.S.A.	3	37,000
Macao	—	16,931	Central America	1	10,000
Philippines	—	274,626	Argentina	1	16,000
Thailand	—	422,179	Brazil	2	11,000
Middle and Near East Countries	—	3,800	China	341	4,442,049
Turkey	—	14,720	Formosa	10	55,705

Item, Unit and Country to which Exported	Total for 1956 to date		Item, Unit and Country to which Exported	Total for 1956 to date	
	Quantity	Value HK\$		Quantity	Value HK\$
Cambodia, Laos & Vietnam	11	127,358	Denmark	—	48,685
Indonesia	10	106,000	Finland	—	420
Japan	26	348,004	France	—	18,313
Korea, South	11	120,473	Germany (Western)	—	142,924
Macao	46	395,005	Italy	—	62,600
Philippines	7	61,131	Netherlands	—	10,186
Thailand	91	784,450	Norway	—	37,010
United States Oceania	1	12,500	Sweden	—	41,034
Oceania, n.e.s.	4	19,900	Switzerland	—	4,990
Denmark	3	14,000	Turkey	—	12,230
France	4	39,600	European Countries, other	—	980
Italy	7	63,000	Stockings and hose Doz. pairs	2,166,962	16,109,985
Netherlands	1	19,600	United Kingdom	128,512	926,906
Buses, trucks, lorries and road			Australia	1,826	21,800
motor vehicles, complete,			Canada	100	1,234
n.e.s. (except motor cars			Ceylon	45,798	212,803
and motor cycles) No.	59	613,873	India	2,664	33,193
North Borneo	17	240,500	Malaya	256,226	1,952,673
China	1	12,500	New Zealand	9,383	160,531
Indonesia	1	10,000	North Borneo	112,130	556,681
Macao	13	97,220	Pakistan	1,550	7,850
Thailand	27	253,650	South Africa	163,627	1,104,794
Ships and boats No.	64	9,408,263	West Africa (British)	54,743	387,532
United Kingdom	1	100,000	East Africa (British)	110,555	614,186
Australia	1	35,000	Central Africa (British)	58,287	421,109
Malaya	1	6,000	British West Indies	48,178	345,313
North Borneo	6	1,032,800	British Oceania	5,551	32,595
U.S.A.	9	87,798	British Comm., other	85,389	544,018
Burma	23	6,361,478	African Countries, other	220,128	1,186,872
China	1	1,500	U.S.A.	186	7,354
Cambodia, Laos & Vietnam	1	5,400	Central America	87,404	564,469
Korea, South	7	1,302,842	South American Countries,		
United States Oceania	14	475,445	other	7,619	54,995
Wood furniture and fixtures —	—	9,162,534	Burma	64,805	313,133
United Kingdom	—	95,614	China	3,500	50,245
Australia	—	180,774	Formosa	5,233	248,191
Canada	—	140,635	Cambodia, Laos & Vietnam	19,850	329,301
Ceylon	—	460	Indonesia	28,100	91,270
India	—	6,765	Japan	44	1,260
Malaya	—	673,658	Korea, South	143	2,580
New Zealand	—	125,614	Macao	8,933	105,666
North Borneo	—	324,016	Philippines	198,890	697,613
Pakistan	—	21,717	Thailand	270,489	3,881,368
South Africa	—	13,210	Middle and Near East Coun-		
West Africa (British)	—	8,917	tries	149,214	1,081,489
East Africa (British)	—	59,680	Central Asian Countries	7,275	44,711
Central Africa (British)	—	17,849	United States Oceania	2,113	35,950
British West Indies	—	37,757	Oceania, n.e.s.	8,540	88,263
British Oceania	—	47,549	Belgium	18	584
British Comm., other	—	99,761	Denmark	100	600
Egypt	—	2,453	Germany (Western)	3	43
African Countries, other	—	353,425	Norway	100	656
U.S.A.	—	3,459,704	Sweden	26	154
Central America	—	716,812	Films (other than cinema-		
Argentina	—	1,600	tographic, plates and paper		
South American Countries,			for photography	—	2,932,176
other	—	111,065	Malaya	—	56,117
Burma	—	3,907	North Borneo	—	7,513
China	—	6,521	Pakistan	—	250
Formosa	—	313,026	South American Countries,		
Cambodia, Laos & Vietnam	—	138,351	other	—	4,072
Indonesia	—	39,875	Burma	—	22,762
Japan	—	570,496	China	—	1,896,184
Korea, South	—	7,471	Formosa	—	96,234
Macao	—	43,238	Cambodia, Laos & Vietnam	—	450,543
Philippines	—	124,617	Indonesia	—	265,679
Thailand	—	322,821	Japan	—	275
Middle and Near East			Korea, South	—	52,490
Countries	—	43,267	Macao	—	71,850
Central Asian Countries	—	1,305	Thailand	—	7,350
United States Oceania	—	568,073	Middle and Near East Coun-		
Oceania, n.e.s.	—	74,314	tries	—	116
Austria	—	—	Central Asian Countries	—	50
Belgium	—	26,845	Oceania, n.e.s.	—	613
			Turkey	—	78

Item, Unit and Country to which Exported	Total for 1956 to date		Item, Unit and Country to which Exported	Total for 1956 to date	
	Quantity	Value HK\$		Quantity	Value HK\$
Cinematographic films, not exposed	Ft.	6,588,781	1,095,563		
Malaya	21,000	5,229	Central Asian Countries ..	207	3,665
Burma	3,500	2,077	United States Oceania	32,511	1,313,196
China	1,619,130	381,225	Oceania, n.e.s.	362	5,734
Formosa	2,008,529	281,926			
Cambodia, Laos & Vietnam	689,272	203,788	Joss sticks (including joss stick powder)	Cwt.	119,840
Korea, South	1,929,000	180,585	United Kingdom	3	2,571
Philippines	279,000	32,359	Australia	38	2,906
Thailand	30,000	6,542	Canada	66	11,111
Middle and Near East			India	181	15,524
Countries	9,350	1,832	Malaya	97,791	6,274,215
			New Zealand	2	499
Watches and watch move-	No.	490,118	16,993,240	North Borneo	1,886
Australia	281	20,204	South Africa	45	7,176
India	10,372	585,536	British West Indies	46	10,190
Malaya	212,712	7,704,563	British Oceania	7	280
North Borneo	499	26,861	British Comm., other	185	17,012
Pakistan	14	3,193	African Countries, other ...	4	880
British Comm., other	180	5,890	U.S.A.	1,453	104,234
African Countries, other	12	1,200	Central America	52	10,385
U.S.A.	5,244	133,645	South American Countries,		
Central America	30	1,200	other	7	934
South American Countries,			Formosa	1,057	40,545
other	33	11,705	Cambodia, Laos & Vietnam	5,250	204,843
Burma	175	10,500	Indonesia	2,265	228,149
China	93,066	3,759,701	Japan	988	32,698
Formosa	15,812	479,226	Macao	7,615	146,299
Cambodia, Laos & Vitenam	69,959	1,586,962	Philippines	374	29,457
Indonesia	6,581	177,996	Thailand	475	16,577
Japan	889	33,675	United States Oceania	1	130
Korea, South	22,752	541,387	Oceania, n.e.s.	29	4,386
Macao	5,840	256,710	Belgium	1	300
Philippines	2,284	54,107	France	16	960
Thailand	10,303	276,384	Germany (Western)	2	353
			Switzerland	1	560

(End)

TRADE REPORTS

(Continued from Page 826)

and lower grades at around HK\$600 per carat. Bottom grade stones, cut roughly, thin, flat and coloured, are quoted from HK\$60 to \$100 per carat; these are mainly for shipment to South East Asia ports for ornaments of native people there, and also for industrial purposes. Quite active are counter sales by local jewellers. Some exports and a fair amount of smuggling of high grade diamonds are going to Japan, Korea and the United States; medium grade stones are sent to the Philippines and most South East Asia ports.

Real natural pearls are only few on the market, and prices differ greatly depending on the size and colour. Pearls were and are mostly carried out of China where hoards of jewellery have now much diminished. Cultured pearls imported from Japan are mainly for local requirements and sales to travellers, but export to South East Asia ports is also active. Prices are uneven and range from HK\$100 to \$1,500 per ounce, depending on size and colour. Pearl culture has recently started here in the New Territories, and products are expected in the market soon.

Jade prices have gone up about fifteen per cent recently on higher cost of unpolished jade stones from Burma.

The Colony has become the centre of jade cutters, for skilful polishers and cutters of Peking, Shanghai and Canton have come down here. High grade products are exported to Japan and the U.S., and medium grade to Europe, Malaya and other South East Asia ports. The future is quite hopeful, for exports are increasing appreciably, especially those to Japan.

Emeralds, Rubies, Sapphires and other precious stones are imported from abroad and are mainly for sale locally. The market and prices vary very much, from hundreds to thousands of Hongkong dollars per carat as supply is irregular, and generally business in these selected stones is a matter of experts and a restricted clientele. Tourists and travellers, among whom are found, as they are being so aptly called in Manila, 'professional tourists', are the ones on whom the trade has to depend for its prosperity.

This can indeed be said also for diamonds, jade and other precious stones, ornaments, even silver articles. The number of luxury stores selling jewellery of any description has grown considerably and in recent months there has been an almost unhealthy expansion in this business in the tourist centre of lower Kowloon (Tsimshatsui). Hongkong, thanks to the American tourist boom, has become the jewellery centre of the Far East; this is also due to the

fact that there are no restrictions on the import of precious stones and any luxuries, and that exports from here—with or without official recording—are easily and speedily effected. The US tourist and the vacationing US serviceman are thankful for this special facility which Hongkong offers but many governments in the neighbouring Far East are looking at this activity of Hongkong with growing misgivings. Exchange preserving policies of such governments are often defeated by the existence of the great luxury emporium of Hongkong; but the citizens from most if not all Far Eastern countries seem to be glad that, as outlined above, purchases of precious stones, among other luxuries, can be made here at usually reasonable cost.